



# INDEPENDENT

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TUESDAY 24 OCTOBER 1995

IN SECTION TWO

## City gets jitters on Budget tax cuts

Economists warn on dangers of giveaway

DIANE COYLE and COLIN BROWN

The Chancellor's tax cutting strategy for the Budget was thrown into question yesterday when a majority of the Treasury's independent economic experts warned against large-scale tax reductions.

The warning will deeply embarrass Kenneth Clarke, as he is coming under growing pressure from senior Tory backbenchers to deliver tax cuts to give the Government any hope of victory at the next election.

The Treasury's panel of independent economic forecasters urged caution at the meeting yesterday with Alan Budd, the Chancellor's chief economic adviser. Mr Budd has told associates he would consider quitting the Treasury early if there is a big tax giveaway in the Budget on 28 November.

Of the six members of the Treasury's panel at yesterday's meeting, only one is firmly in favour of lower taxes. It should be a tougher target for the Budget. Any prediction in the Budget for a policy of borrowing requirement that was not both lower than this year's likely total and believable could trigger an attack on sterling.

The pound fell almost two pence yesterday to DM2.1857, not far above its record closing low in May of DM2.1768. To the alarm of the Bank of England, the currency markets have treated the pound as a weak currency this year.

The economic evidence between now and the Budget is unlikely to strengthen the arguments for stimulating the economy. Yesterday's figures for GDP in the third quarter confirmed that growth has slowed as expected. It was 2.4 per cent higher than a year earlier, compared with 2.8 per cent growth in the second quarter.

With just over a month to go before the Budget, important tax and spending decisions still have to be taken. Treasury sources said Friday's crucial pre-Budget meeting had still left key questions unresolved.

This year's Budget is being seen in the City as a stiff challenge for Mr Clarke, who has to balance the needs of the economy against the wishes of the backbench MPs who made it clear at the party conference just two weeks ago that tax cuts ought to be top of his agenda.

Miscalculation by the Chancellor could send sterling sliding. City economists said. Further turbulence in the currency markets, taking the pound dangerously near its all-time low against the German mark, highlighted the danger of taking risks with the public finances.

The financial markets have been alarmed by recent figures for government borrowing. The public sector borrowing requirement has risen to £10.5 billion for this year. This is a tougher target for the Budget. Any prediction in the Budget for a policy of borrowing requirement that was not both lower than this year's likely total and believable could trigger an attack on sterling.

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City fears, page 21



Looking towards President Clinton and John Major, the British Prime Minister, during talks after their appearance at the UN meeting. Report, page 11

## UN is warned: reform or die

DAVID USBORNE  
New York

The Prime Minister, John Major, yesterday joined in a chorus of complaints against the United States for failing to pay its dues to the United Nations and backed calls for an emergency meeting of member states early next year to tackle the organisation's financial crisis.

In a pointed reference to the US arrears, estimated at \$1.3bn, Mr Major told the UN's 50th anniversary session that "it is not sustainable for member states to enjoy representation without taxation". The remark turned on its head the "no taxation without representation" battle cry of anti-colonial revolutionaries in the 18th century.

Washington suffered serial attacks from world leaders at the three-day meeting, which ends today. But most leaders supported an appeal by President Bill Clinton for swift action to reform the UN, rationalising bureaucracy and streamlining operations. Mr Major backed an early expansion of the membership of the Security Council, which remains dominated by the original permanent five members: Britain, France, the US, Russia and China.

Officials said Britain envisaged a four-point programme to restructure the UN: short-term action to replenish its budget; a revision of the arrangements under which member state contributions are calculated; a provision obliging defaulting countries to pay what they owe; and wider reform of the organisation. The latter could include closing or merging 10 agencies, including Unesco.

Hopes for a special General Assembly early next year are poor. While Washington clearly expects the UN to take the first steps on reinventing itself before it comes forward with the money it owes, many other countries are adamant that they will not consider broad change until all the debts are settled.

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## Iraqi spy in arms inspection team

PATRICK COCKBURN

An Iraqi spy was working for the United Nations mission monitoring the elimination of Iraq's weapons of mass destruction, according to Lieutenant-General Hussein Kamel, the son-in-law of President Saddam Hussein, who fled to Jordan in August.

The agent was a Syrian working for the team of UN inspectors led by Rolf Ekeus, which is in charge of dismantling Iraq's nuclear programme as well as its chemical and biological weapons, says Gen Kamel, who ran Iraq's military industries.

The allegations were made in a dramatic confrontation between Dr Ekeus and Gen Kamel in Amman, shortly after

he defected. According to Jordanian security sources, Dr Ekeus and his aides wanted to debrief him but when he met them, Gen Kamel at first refused to speak. He then turned to the translator for the UN team and asked: "Are you a Syrian?" When the man replied that he was, Gen Kamel said: "Is your name Hassan?"

When he confirmed that this was also true, Gen Kamel turned to Dr Ekeus and said: "I refuse to be debriefed in front of one of my own agents."

The revelation by the German weekly magazine, *Der Spiegel*, is likely to be extremely embarrassing to the UN. An Iraqi agent translating for Dr Ekeus's team would be able to tip off the Iraqi government

about buildings and sites where the inspectors suspected military equipment or documents relating to the weapons of mass destruction were hidden.

A spokesman for Dr Ekeus said Gen Kamel's allegations were serious, and were being investigated. A Jordanian security source said Boutros Boutros-Ghali, the UN Secretary-General, wants to find out from Gen Kamel if Iraq has other agents within the operation.

The presence of a spy in the heart of the UN inspection team would explain why Dr Ekeus has found it so difficult to get to the bottom of Iraq's weapons programme. Earlier this month, he said in a report to the UN Security Council that the Iraqi government was still concealing

many details of its poison gas programme.

Immediately after the flight of Gen Kamel with his family on 8 August following a row with Uday, President Saddam's son, Iraq blamed the concealment of its weapons programme on the defector. Dr Ekeus was shown large quantities of documents hidden in a chicken farm owned by Gen Kamel on the outskirts of Baghdad. Sources in Amman say, however, that a farm worker told a member of the UN team that the papers had only been placed at the farm by the Iraqi security forces on 11 August.

There are no details of how Iraq succeeded in planting an agent in the UN. It would, however, be in keeping with President Saddam's heavy reliance on informers and spies inside and outside Iraq. It would be surprising if he had not tried to get as much information as possible about Dr Ekeus's intentions, since the UN Security Council will not lift the embargo on Iraq until it is convinced that all its weapons of mass destruction are destroyed.

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## Blooming October heads for the record books



Camellia comes early: A flower at the RHS garden, Wisley, blossoms three months too soon. Photographed by Ed Sykes

MARY BRAID

"I really don't know what it's doing," said Kate Haywood, at the Royal Horticultural Society's garden at Wisley, Surrey, puzzled by an even more confused mauve rhododendron in full bloom. "It's not just early, it's out of season."

Nearly, among the pale camellias, the time is also out of joint. In 12 years as the garden's plant recorder, Ms Haywood has never seen camellias blossom so early, three months ahead of schedule. The earliest snowdrops are already out, a month early. But the rhododendrons are the most preocious; they would not normally appear until spring.

With little or no sign of frost, it is the same story in gardens all over the country. Vegetable patches are still full of summer produce and in flower beds and borders, busy lizzies and geraniums are still going strong.

If Mike Hulme, climatologist at East Anglia University, is right, this is simply a taste of things to come. July and August this year, the warmest high summer in 300 years, were followed by an average September. But October is set to take 1995 into the record books once

again with an average daily temperature in central England so far this month of 16.1°C.

With a week to go it is set to be the warmest October in Britain since records began. Forecasters predict the warm spell will continue into the beginning of November. Dr Hulme said last November was the hottest in 300 years. Its hard not to conclude that global warming is to blame, he argues.

The Indian summer is also affecting animals and birds. At Wisley the sorbus and pyracantha shrubs are still festooned with berries, unravished by birds still able to feast else-

where. The Royal Society for the Protection of Birds said insects were still plentiful so some birds were delaying migration. The mild October continues to embarrass water companies with hose pipe bans still operating in Cornwall, Devon, Sussex and parts of the North-west and Yorkshire. A spokeswoman for the Water Services Association said: "We are in need of lots of rain to fill the reservoirs, especially in Yorkshire."

The British Resorts Association said prolonged tourist seasons meant seaside towns were set to earn 15 per cent more than last year's £3.2bn.

**IN BRIEF**

**Lottery defence**  
The National Lottery Charities Board yesterday defended its decision to allocate lottery money to voluntary groups tackling drug addiction and those representing asylum seekers in Britain. Page 3

**West's moment of grief**  
The anguished cry of Rosemary West rang through a courtroom as jurors heard her reaction to her husband's confession that he killed their missing 16-year-old daughter. In a taped interview played at Winchester Crown Court, Mrs West shrieked: "What? So you know where she is? So she's dead. Is that right?" Page 2

**4.3 Rent row hits franc**  
The franc came under pressure on international markets again after questions resurfaced about the low rent President Jacques Chirac paid on his former flat. Page 12

**Double attack on Dini**  
Italy's Prime Minister, Lamberto Dini, faces a two-pronged attack on his nine-month-old government from the right and far left today as Italy heads for another political crisis. Page 13

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**Leading article: "The list of awards makes you proud to live in a country where so many are trying to do so much for so many."** Page 18

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**section TWO**

### 'Before Barclays intervened, bullying was an issue; now it's on the curriculum'

Thornes School and Community College, Brierley Hill, on their award-winning anti-bullying scheme

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# 'He's dead if I get my hands on him'

council's policy, along with an unspoken police policy of tolerance, has resulted in a regulated sex industry and fewer problems associated with pimps



# National Lottery: Donations to organisations fighting poverty have 'struck a chord up and down the land', says chairman

## Charity cash for asylum seekers is defended

RHYS WILLIAMS

The National Lottery Charities Board yesterday defended its decision to allocate lottery money to voluntary groups tackling drug addiction and those representing asylum seekers in Britain.

Announcing a first round of awards to deal with poverty, the board said that 627 charities across the country would benefit from £40m of lottery cash. David Steff, the Charities Board chairman, added that a further £120m would be made available by the middle of December.

More than 15,000 charities had applied for grants in this first round, with 4,500 submissions processed so far. Mr Steff said: "We're really encouraged that the first theme has struck a chord with many groups up and down the land. We said right from the start we wanted to particularly help small groups working at grass roots who often don't get a share of the big fund-raising money."

The primary aim, he added, had been to give grants "that help those of greatest disadvantage in society and which improves the quality of life in the

community." Small community groups were among the main beneficiaries of the pay-out, although some grants were made to big-name charities. Awards ranged from £666,000 to the Strathclyde Poverty Alliance to £174,000 to Lothian Shopmobility, a scheme in Scotland which provides free motorised wheelchairs to the disabled to help them shop. At the lower end of grants, the Phoenix Toy Library in Swindon will receive £500.

However, grants to smaller groups, such as the Vietnamese Mental Health Project, which

received £174,000, and the Eritrean Advice and Information Centre in London, prompted charges of "political correctness" from David Mellor, the former Secretary of State for National Heritage.

Mr Mellor told BBC Radio that the board was a "crazy old tub... piled full of some of the usual suspects of politically correct vehicles." He said it had been "permitted to go its own way", leading to yesterday's disastrous decisions.

Mr Steff described the attack as "nonsense", saying that the board had consulted more than

8,000 organisations. "I would be very interested if Mr Mellor would like to contact us to actually find out what we are doing, instead of just commenting from the sidelines."

There were also calls for charities to be allocated a bigger share of lottery proceeds than the 6p they currently receive from every £1 ticket. Stuart Etherington, chief executive of the National Council for Voluntary Organisations, said: "The Charities Board has received four times the number of applications than the others which demonstrates the inter-

est of charities to apply for National Lottery money."

While a major step forward, he said the council was concerned that the grants did not make up for the money that charities losing in fund-raising as a result of the lottery - the figure is estimated to be around £330m during the past year. The Home Office announced last Friday that it was funding research on the effect of the lottery on voluntary sector income.

Grants to well known charities included the Citizens Advice Bureau, the Royal National Institute for the Deaf,

Scope and Cancer Research, as well as Menap, Age Concern, and Arthritis Care.

Beneficiaries broadly welcomed the board's announcement.

The Royal National Institute for the Blind stressed that its £188,000 award had to be set against an estimated £500,000 shortfall in donations, which it blames on the lottery. Ann Abraham, chief executive of the National Association of Citizens Advice Bureaux, which received grants totalling £1.5m, said: "This is welcome recognition of the fact that bureaux all over the

UK are in the frontline of tackling poverty in their local communities."

Jack Cunningham, the shadow Secretary of State for National Heritage, called for the present system of applications to be reassessed. He said Labour would be setting up its own independent advisory group to advise the party on how best the Lottery money could be distributed. "At present, it is too bureaucratic and complex. The public also have a right to know why particular charities are favoured and where their money is going."

## Despite what they say, a winning way

Giving money away is not nearly as easy as it sounds. The National Lottery Charities Board has done well in winning the approval of the previously critical National Council for Voluntary Organisations, and Labour's new National Heritage shadow, Jack Cunningham, for the distribution of its first £40m yesterday.

The favourable response comes partly in outraged reaction to the attacks, in the *Mail*, *Sun* and *Express*, on some of the smaller grants going to Somali and Eritrean refugees and drug abuse charities. "I was appalled by the tone of those stories," said Dr Cunningham, praising the way in which money had been given to small local groups, and had been fairly distributed around the regions, despite his wish to review the whole machinery of the lottery.

Fifteen thousand groups applied for grants - four times more applicants than all the other lottery boards together. The complex task of sifting through such varied applications fell to 400 assessors around the country. The Board always said it would target small local projects.

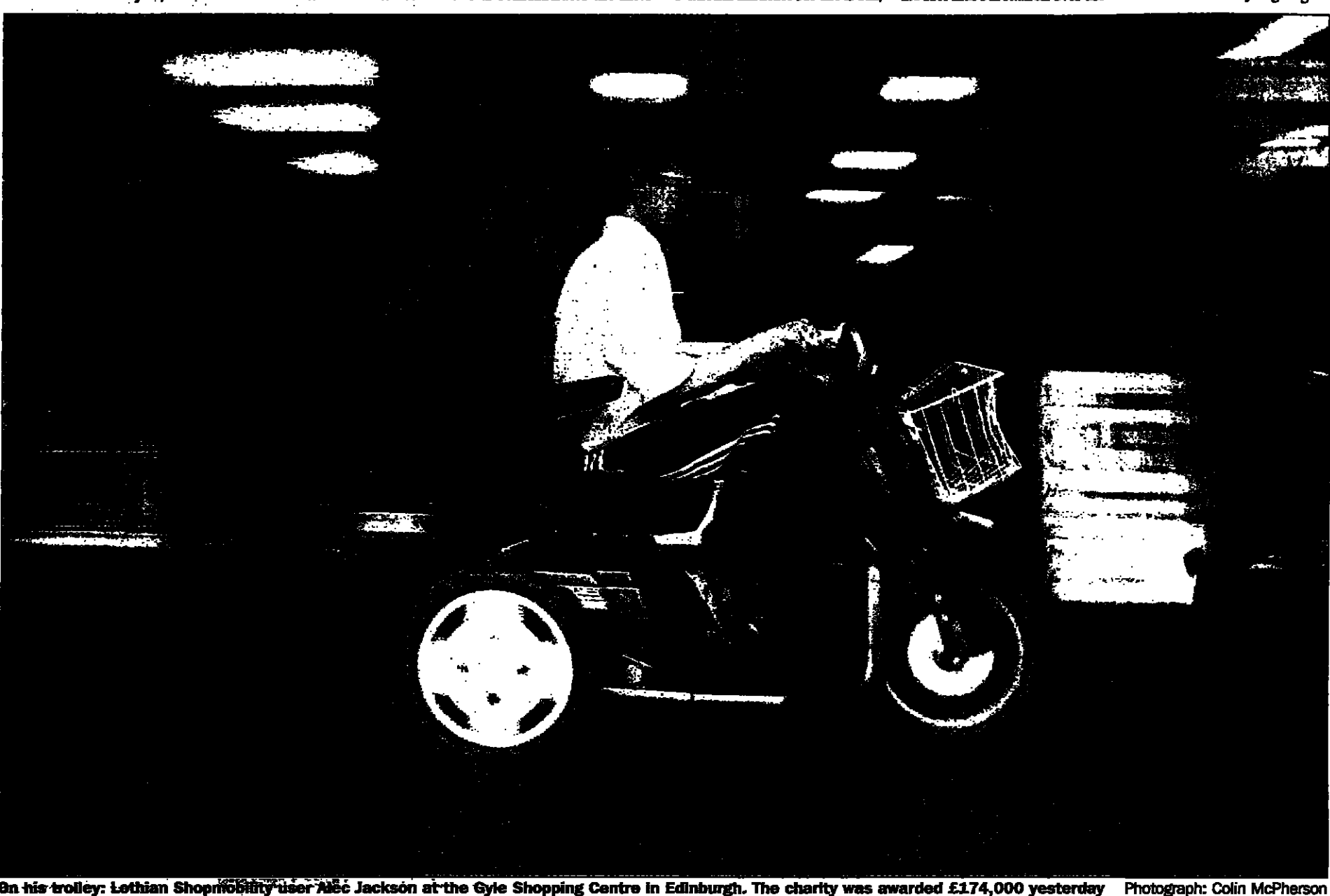
From the start the Board has been criticised for refusing to take politically easy options. It chose poverty for its first grants,

a less popular option, although it was the one selected by the majority of the 7,000 charities consulted, because the public give less generously to the poor.

It would have been easy for the Board to choose the big charities, where it would know the money was "safe", and the brand name uncontroversial. No doubt some money to small organisations risks going astray. Unpopular groups, especially black refugees, were bound to be vilified by the right-wing press.

As the last to give grants, the Board had the advantage of knowing some pitfalls to avoid in advance. For example, it has divided the money evenly around Britain. It has divided it fairly among sectors of the population, 25 per cent to children, 17 per cent to the disabled, the rest to pensioners, families and mental disability. They gave just enough to big-name charities to stop them complaining they had been excluded. Despite expecting renewed accusations of "political correctness", the Board said it would stick by the same criteria with its next grants.

Polly Toynbee



On his trolley: Lothian Shopmobility user Alec Jackson at the Gyle Shopping Centre in Edinburgh. The charity was awarded £174,000 yesterday. Photograph: Colin McPherson

## How award will help former 'boat people' to find even keel

LOUISE JURY

It would have been easy to misunderstand the blank facial expressions of the Vietnamese yesterday as failing to appreciate the significance of their £174,000 lottery award.

But as Dr Nguyen Cam pointed out, the absence of expression was one of those cultural differences it was important to explain.

When doctors were trying to assess mental illness, there was always the risk that they would interpret the quiet stare characteristic of his countrymen as abnormal. It is not.

Such linguistic and medical interpretation is at the core of the Vietnamese Mental Health Project run by Dr Cam.

From his base in Brixton, south London, he and his seven staff help prevent psychiatric misdiagnoses through cultural understanding and provide back-up for 208 mentally ill men and women among the capital's 17,000-strong Vietnamese community.

Developing from a research programme into mental problems among refugees who fled to Britain to escape atrocities in their homeland, the project acts as a link between the medical and social authorities and those they are trying to help.

The problems are not just linguistic. Many have found life in Britain difficult to adapt to. Furthermore, the traditional Vietnamese attitude to mental



Dr Nguyen Cam: 'I'm glad because I think we deserve it.' The National Lottery grant of £174,000 will transform the future of his project. Photograph: Edward Webb

health has required special efforts to break down.

Memories of executions, the destruction of their homes and villages, prison and torture have left a catalogue of trauma and psychotic disorders requiring treatment.

Dr Cam said: "We value Western medicine, but Vietnamese think [it] should work in ten to 15 days. If they have to continue treatment they think that's wrong so they stop and it leads to lapses."

With the implementation of the care in the community programme for the mentally ill, the need for support has become

even greater. Dr Cam, 61, is delighted at the grant. The project lost a worker last month and had no funds for him and his administration and finance officer, Ms Cuc Le, from next April.

The National Lottery Charities Board decision to bestow £174,000 has transformed its future. "I'm glad because I think we deserve it," he said.

Just down the road there was evidence to support him. As well as running two drop-in centres, the project has a permanent home for six mentally ill residents self-reliance, how to deal with every-day life and even

how to cook - a vital skill for men who traditionally do not.

Duong Lai, 46, first became ill when he was hung in jail for a year before being expelled from north Vietnam. Another resident spent 10 years in an overcrowded Hong Kong detention centre before escaping.

Thanks to the project's support, former resident Hong Son Ly, 39, is now living in his own home. He had popped into the centre yesterday to see his friends. Son Thach, 38, was a boat mechanic in Vietnam before joining the "boat people" exodus in 1980. "I like it here," he said.

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The lottery charities hand-out: who gets what	
Top ten	Bottom ten
Strathclyde Poverty Alliance, Scotland. To study and support community activities to combat poverty locally, £266,177	St. George's, Wales. Cych Gledwyn Pre-school development, £282
Yorthing Family Home Limited, Scotland. To provide life accommodation for the families of sick children, £265,000	West Lothian Scout Association, Scotland. To fund the West Lothian Scout Training Centre, £260
Inverclyde Community Development Trust, Scotland. To develop by providing premises for new business development, £255,000	South Motherwell Toddlers Group, SW England. A day for the Bampton toddler group, £254
The Social Learning Foundation, Scotland. Building on parent workers' practice to provide experimental integrated services, £253,000	St. George's (St. George's) Guide Company, Yorks and Humbersides. To provide from local pressure, promote self-help, £250
All Women Centre, Scotland. To support women in all areas of multiple deprivation, £249,347	Centre Playgroup, Scotland. Whiston Centre Group, learn to play, £248
Voluntary Service, Aberdeen, Scotland. Addressing poverty and developing positive approaches to overcoming it, £248,000	St. George's, Wales. For ongoing work for the purpose of the St. George's, Wales, £248
Merchiston Enterprise Centre, Scotland. To develop and improve economic development of the community, £247,000	St. George's, Wales. To provide a day for the purpose of the St. George's, Wales, £247
Lothian and Edinburgh Community Development Trust, Scotland. To provide a day for the purpose of the St. George's, Wales, £247	St. George's, Wales. To provide a day for the purpose of the St. George's, Wales, £247
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## Welfare fraud: Tories defend debt collection Ministers accused of overreaction on benefit bailiffs

CHRIS BLACKHURST  
Westminster Correspondent

Government ministers were accused yesterday of over-reacting by planning to hire bailiffs to recover money owing to the Benefits Agency.

Details of the plan, revealed in documents leaked to the *Independent*, left Opposition politicians and civil liberties campaigners recoiling in horror.

Government sources were standing by their decision to bring in private debt enforcers. They emphasised that they will be used only to pursue claimants who have given inaccurate information to the Benefits Agency, or who had claimed under false pretences.

That could mean where someone had lied from the outset or, when their finances had improved, they failed to inform the DSS and have their benefits reduced.

Earl Russell, the Liberal Democrat social security spokesman in the Lords, wrote to Lord Mackay, the social security minister, warning it was "only a matter of time before the *Daily Mirror* would print a photograph of a baby howling while the bailiffs carry off the fridge with its bottle inside it ...



Chris Smith: plan has dangers

you would not wish such a photograph to appear in the middle of an election campaign."

The National Children's Home report in 1992, wrote Earl Russell, had revealed that many people on benefit owe money to lenders. While they may have received payments from the Benefits Agency to which they were not entitled, that did not mean they were in a position to pay the cash back.

The Government, said Earl Russell, had constantly refused to study the level of debts of people on benefit, which he felt made it difficult for ministers to accurately assess how much money they stood to recover.

The Government was asked to consider the behaviour of private debt collectors in pursuing non-payment of council tax bills before asking them to chase benefits claimants.

Debates on the Council Tax Bill had focused on their conduct and the way in which bailiffs seize objects they know can be sold quickly and will cover both the debt and their own fees.

In the Commons, the Liberal Democrat MP, Simon Hughes, demanded the National Audit Office, the public finance watchdog, should look into the issue of hiring commercial debt recovery agents to tackle benefit overpayments.

Chris Smith, Labour's social security spokesman, stepped up the attack, claiming there were "two serious dangers" in the plan. First the debt collectors "may go to unacceptable lengths to recover benefits". Secondly, there was a danger that confidential financial information about families "may get into the wrong hands".

Liberty, the civil liberties pressure group, echoed his concerns. "We are worried about accountability - who will oversee what the bailiffs are doing," a spokeswoman said.



Family mascot: Gina Campbell holding her father's teddy bear, to be sold at Christie's (Photograph: Edward Webb). Right: Campbell in Bluebird in 1958

## Bear retires from life in the fast lane

Donald Campbell's silent co-pilot on every one of his attempts on world land and water speed records is to be offered for sale at a Christie's auction.

Mr Whopit, a 1950s Merrythought teddy bear, was Campbell's mascot and was plucked from Coniston Water a few minutes after the 328mph crash on 4 January 1967 that claimed his owner's life.

Campbell's daughter Gina, 47, adopted the bear as her own mascot, and continued the family tradition - achieving the

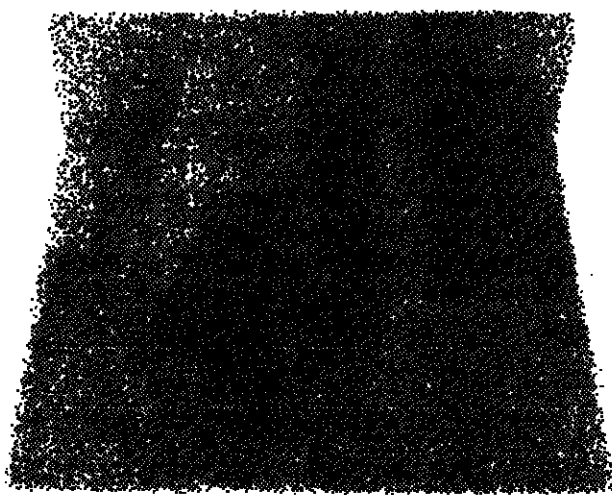
women's world water speed record in 1984. Now, however, she has decided to sell the bear as part of a family archive of trophies, letters, books and other memorabilia that is expected to fetch up to £60,000 at the London auction on 11 December. She said yesterday: "It's sad to see him go. He and my father were inseparable." She explained that after a bad accident, she "began to question just how lucky he really was" and had taken the "harsh decision" that the "time was right to sell him".



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## Opted-out schools 'have much bigger classes'

FRAN ABRAMS  
Education Correspondent

Opted-out schools in London have much bigger classes than those that stayed with local authorities, according to a study published yesterday. The grant-maintained sector also takes fewer children from impoverished backgrounds and fewer children with special educational needs.

Critics of opting out said the figures showed that while parents might expect a better quality of education from an opted-out school, their expectations might not be realised.

The survey, by the London Research Centre in conjunction with the Association for London Government, shows that while local authority secondary schools in outer London had 17.1 pupils per teacher, opted-out schools in the same area had 26.3. In local authority secondary schools, 6 per cent of

pupils were in classes of more than 30 compared with 11 per cent in opted-out schools.

Almost one-third of pupils in local authority schools were entitled to free school meals in January 1995, when the figures were compiled, but in grant-maintained schools only one child in seven was eligible. The local schools had nearly twice as many pupils with special educational needs.

David Blunkett, Labour's education spokesman, said: "The research demonstrates the need for greater equity within the system. It also shows that the most important issue for all schools is raising standards."

One explanation for bigger classes in opted-out schools could be that they are popular because parents believe they have higher standards. They often have more middle-class and more able pupils because more are academically selective.

In January, the schools in-

spection body, Ofsted, said that there were few substantial differences in standards between grant-maintained and local authority schools in terms of pupils reaching their potential in behaviour or in teaching quality. However, exam results were higher compared with national norms.

Adrian Pritchard, director of the Grant Maintained Schools Centre, said the figures showed how high the demand for places was. "Any examination of the results that are obtained by grant-maintained schools in London or elsewhere seems to indicate that they are doing rather better."

Spending on school books fell by £8.5m in real terms last year, the Publishers Association said yesterday. The UK spent £23 per child per year, while Finland spends £71, Austria and Sweden £61, the Netherlands £56, Italy £38, Denmark £33 and Ireland £30.

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**Romantic revival:** Media's literary feast overshadowed by fears that poet's 'neglected' London home may be forced to close

# Keats anniversary inspires BBC to stage day of poetry

DAVID LISTER  
Arts Correspondent

A thing of beauty is a joy for ever, and will be so several times a day on the BBC as the corporation aims to replace the nation's embrace of Jane Austen with a passion for John Keats.

As the dramatisation of *Pride and Prejudice* draws to a close, the corporation is to mount a bi-media celebration marking the 200th anniversary of the Romantic poet's birth next Tuesday.

Keats will be the first poet ever to have his work read at regular intervals throughout the day on BBC Radio. In addition there will be an *Omnibus* special, a dramatisation of one of his poems and other programmes. The BBC will even put a John Keats research site on the Internet.

James Runcie, who is directing the *Omnibus* special, said of the Keats season: "This really is public service broadcasting in its best traditional sense."

"We all tend to think that because we have studied Keats at school we put him in a trunk and think we've done that. But people are reading Keats for the first time every day."

However, the celebration of the poet on radio and television could coincide with the closure of Keats's house to the public.

The house in Hampstead, north-west London, needs £250,000 of work. Its curator said yesterday that the state of the roof meant it could not survive a bad winter, and if work was not carried out, it might have to close.

Keats's biographer, Andrew Motion, said that the financial neglect of the house was a national scandal. "It is the only place you can go and hear him breathing. He is fascinatingly and vividly there. It is disgraceful that it is in this state. Can you imagine this in any other country?"

Christina Gee, who runs the house in Keats Grove, said that Camden council had been negotiating for 18 months to transfer the funding of the building to the City of London and no money could be spent on it while these negotiations were progressing.

"There has been no work done on the house for eight years," she said. "It needs a new roof. I'm not certain we would stand a bad winter. If there was danger to any of the manuscripts, books, letters or furniture on show we would have to protect them and close. It is a shrine to Keats and it is our duty to protect those things."

Because the house is the subject of negotiation between two councils, neither has applied for Lottery funds which could

have easily covered the cost of renovation. Meanwhile, in the *Omnibus* programme next Sunday, Andrew Motion retraces the poet's last journey to Italy. A number of radio programmes include a dramatisation of his poem *The Eve Of St Agnes* on Radio 4, starring Michael Maloney as Keats, and, most notably, readings of six of the odes next Tuesday throughout the day on Radio 4.

A BBC spokeswoman said that the odes had been chosen to suit the moods of the programmes that followed, adding curiously, that the *Ode To Indolence* was on long wave only as it was not felt appropriate in tone to precede a news bulletin on FM.



Under threat: Keats's home in Hampstead, where memorabilia includes a medallion of the poet by Giuseppe Girometti

Photograph: Brian Harris

## CHOOSE YOUR LENDER AS CAREFULLY AS YOU CHOOSE YOUR HOME.

Ten things you really should  
know about Keats



Keats, in a portrait from  
the National Gallery

### DAILY POEM

#### To Autumn

By John Keats

Season of mists and mellow fruitfulness,  
Close bosom-friend of the maturing sun;  
Conspiring with him how to load and bless  
With fruit the vines that round the thatch-eves run;  
To bend the apples the moss'd cottage-trees,  
And fill all fruit with ripeness to the core;  
To swell the gourd, and plump the hazel shells  
With a sweet kernel; to set budding more,  
And still more, later flowers for the bees,  
Until they think warm days will never cease,  
For summer has o'er-brimm'd their clammy cells.

Who hath not seen thee oft amid thy store?  
Sometimes whoever seeks abroad may find  
Thee sitting careless on a granary floor;  
Thy hair soft-lifted by the winnowing wind;  
Or on a half-reap'd furrow sound asleep,  
Drows'd with the fume of poppies, while thy hook  
Sparrows the next swath and all its twined flowers;  
And sometimes like a gleaner thou dost keep  
Steady thy laden head across a brook;  
Or by a cyder-press, with patient look,  
Thou watchest the last oozings hours by hours.

Where are the songs of spring? Ay, where are they?  
Think not of them, thou hast thy music too,  
While barred clouds bloom the soft-dying day,  
And touch the stubble-plains with rosy hue;  
Then in a wailful choir the small gnats mourn  
Among the river sallows, borne aloft  
Or sinking as the light wind lives or dies;  
And full-grown lambs loud bleat from hilly bourn;  
Hedge-crickets sing; and now with treble soft  
The red-breast whistles from a garden-croft;  
And gathering swallows twitter in the skies.

John Keats is one of six poets whose verse will appear on the London Underground from 1st November. Poems on the Underground refresh their collections three times a year and this particular set includes the work of Robert Frost, John Betjeman, May Sarton, James Fenton and Sir Philip Sidney. Poetry is now displayed on public transport systems in New York, San Francisco, Dublin, Paris, Stuttgart, Oslo and other cities worldwide. *Poems on the Underground*, now in its fifth edition, is published by Cassell at £6.99 and *Poems on the Underground* 95, in which this poem appears, is published at £1.99.

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## news

## Children of the world unite to save their planet

DANNY PENMAN

As the celebrations for the United Nations 50th birthday continued in New York yesterday an infinitely more radical conference began in Eastbourne, East Sussex. Nearly 800 children from 90 countries met to try to find solutions to save the planet from "environmental catastrophe".

There were no power struggles, fragile egos or squabbles over funding. There were no grand visions of global power politics; the approach was entirely different. The majority of the delegates focused on bottom-up solutions.

The International Conference for Children on the Environment, partly sponsored by the UN Environment Programme, was aimed at creating a nucleus of concerned children, full of ideas, to go out and tackle local problems. In time the organisers hope this group will expand and have world-wide political impact.

Many of the solutions put forward by the children were far too radical and simple to be accepted by world leaders. But delegates from the Bahamas and South Africa described how they had cleaned local beaches by organising litter patrols and recycling schemes. And a junior school in Austria demonstrated how they had built a solar panel to heat water for their gym.

Most of the delegates wanted to apply and extend their parents' message of "if you make a mess you should clear it up". The proposed follow-up Internet conferences could bring more detailed solutions.



Future hope: Two Iranian schoolgirls being photographed for the records of the children's conference yesterday Photograph: John Voss

## Mass DNA test to find killer of Naomi

JASON BENNETTO  
Crime Correspondent

DNA testing of up to 800 young men starts today in an attempt to find the killer of Naomi Smith, the teenager found stabbed to death in a playground near her home.

Officers from Warwickshire police are to call on suspects in the village of Ansley Common and the surrounding area, near Nuneaton, to collect samples. "They will be compared with a DNA 'fingerprint', probably obtained from a sample of the attacker's blood, discovered at the murder scene."

Naomi, 15, was found beneath a slide 200 yards from her home at Bretts Hall estate, Ansley Common, on 14 September. Her attacker had sexually mutilated her and cut her throat. She had gone out to post a letter. She was found by her father, Brian, and her best friend, Emma Jones.

The police will take mouth swabs from males aged 15 to 28, from which scientists can obtain a DNA profile. It is not compulsory to give a sample but police have said those who refuse will be investigated and could eventually be arrested and forced to take a test.

Mass DNA testing in a murder inquiry was first used successfully in 1987, when Colin Pitchfork, 27, a baker, was convicted with the help of genetic fingerprinting following the rape and murder of two girls.

The police believe the technique will be useful in Naomi's murder because a psychological profile has suggested the killer is a local who knew her or was familiar with the recreation ground in which she was stabbed. Because the number of people living near by is relatively small, police have been able to compile a list of suspects from official registers.

However, a growing number of people have questioned the reliability of DNA testing. Some forensic scientists and prosecutors cite the chances of a random match as 40 million to one, but this has been challenged as grossly misleading.

Other experts say DNA profiles are only a probable, not a definitive identification of an assailant. In some communities, in-breeding can confuse the sample. Also, interpretation about how closely profiles match can differ.

The Court of Appeal ordered the retrial of Michael Gordon, 29, who was jailed for 12 years for raping two students in Manchester. The court did not doubt the validity and value of DNA evidence in general, but said it was arguable whether the probabilities of DNA match that was put to the jury could be sustained.

In December 1992, DNA evidence against Terence Hammond, accused of armed robbery, was rejected when doubts were cast on the prosecution's claim of a probability of 10 million to one against an innocent person having the same genetic fingerprint as Hammond. The doubts centred on how the DNA comparison was made in the laboratory.

The decision to carry out the tests in Warwickshire follows a



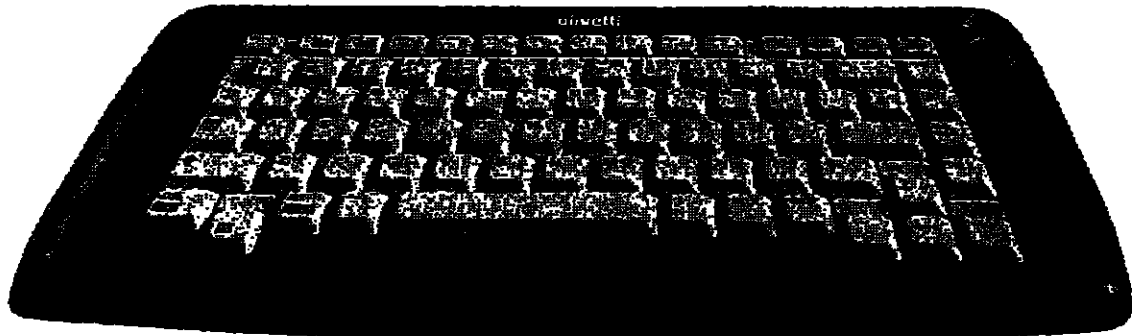
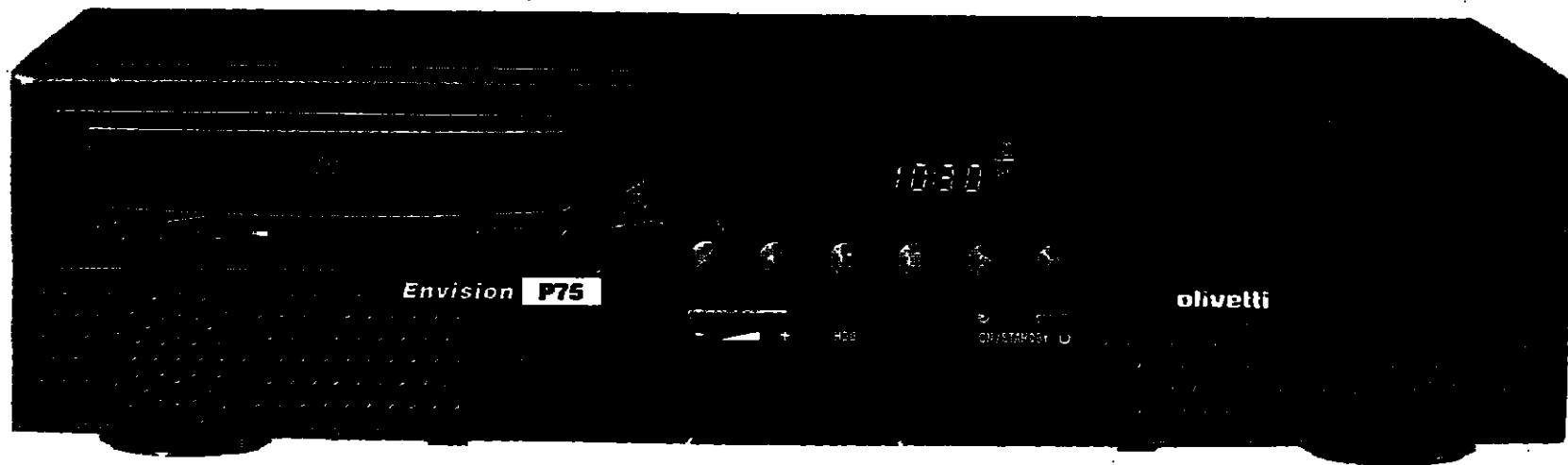
Naomi: Killed in playground

lengthy investigation in which more than 1,800 people have been interviewed and witness statements have been taken from another 441. Five men were arrested during a series of dawn raids, but no one has been charged.

The police hope to test about 150 people a week and the profile will take about 10 days to complete. DNA samples have already been taken from people at the scene on the night, including relatives, to rule them out of the inquiry.

Det Supt Tony Bayliss, who is leading the investigation, said: "It is now a question of when and not if we catch this offender. I am aware that there has been concern that the inquiry was losing its momentum. I can reassure you this is not the case. This testing may provoke some unusual behaviour, someone leaving the area unexpectedly. We will be watching for that."

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IND



## Tycoon 'took pride in honourable bank dealings'

Robert Maxwell prided himself on his ability to meet his banking obligations, his son told an Old Bailey jury yesterday.

Kevin Maxwell said that for this reason his father did not want "a standstill" on loan repayments when the group had liquidity problems in mid-1991.

He explained that a standstill was when a company suspended its debt repayments, and he gave examples in other companies such as Eurotunnel's recent announcement. He said his father preferred to negotiate loans or new agreements with individual bankers rather than opting for a standstill.

"He prided himself on his ability to meet all his obligations. He had, in his terms, for over 40 years never failed to honour a banking commitment and banking obligations," Kevin went on to say this was a matter of tremendous pride for his father.

Kevin Maxwell, the publisher's youngest son, said the longest-standing bank relationship his father had with the NatWest, which began soon after the war and had lasted for 40 years. It was a "quality relationship", and a measure of his father's trust in the bank was that he used it substantially.

NatWest had stood by him in

### The Maxwell trial



Day 83

the 1970s when he was the subject of a DTI inquiry and its support had been repaid when Robert Maxwell came back strongly in the next decade.

But Kevin told the court the relationship with NatWest changed in 1991 when a new executive, Bob Brown, began dealing directly with the Maxwells. He said he knew the bank's position was to reduce exposure to the Maxwell Group across the board. But he said Mr Brown's attitude was that of a "hatchet man" determined to reduce the bank's exposure to the Maxwell connection "willy nilly". He refused loans and "clung like a limpet" to shares in the Israeli company Scitex, which the Maxwells were selling.

Kevin, who was giving evidence for the sixth day, said his father did not want NatWest to

be closely associated with the successful disposal of the Scitex shares, which were seen in the market as a positive step for the group, as this would send out "negative signals".

Earlier, Kevin Maxwell had said he was aware that there was a "Max factor" in the City where Maxwell assets were not regarded with the same respect as other media companies, but he said his father was regarded much better in the United States where his "stock was high" and he enjoyed a very positive response on Wall Street.

Kevin, 36, denies conspiring with his father in 1991 to defraud the pension scheme by misusing the Scitex shares to meet private Maxwell company obligations. He also denies along with his brother Ian, 39, and former adviser Larry Trachtenberg, 42, a similar charge concerning £22m shares in another Israeli company, Teva.

The Crown alleges these were pledged as a security for a loan in a vain attempt to prop up Robert Maxwell's tottering empire in the days after his death. In both cases, the Crown contends the shares belonged to the pension schemes and not to the Maxwell Group.

The trial continues today.

## London Fashion Week: Emerging talent eclipses kinky 18th-century costumes



Man's world: A masculine 'shorts' suit by Pearce Fionda

## Sheer theatrics of fun half hour

TAMSIN BLANCHARD  
Fashion Correspondent

London Fashion Week, which ends today, was treated to a funny half hour yesterday afternoon when Sebastian, the label of an ex-St Martin's College ingenu, Belgrade-born Predrag Rajkovic, showed his first collection. For once, jaded fashion hacks could hardly control their titlers as deeply kinky 18th-century costumes worn by dancers and actors were paraded before them. He described it as "not a fashion show but a front-line fashion performance".

Rumours that he had spent £80,000 on staging the show proved untrue, but as one designer said afterwards, he would have done better to spend the money on the clothes. As the screeching, operatic singing reached fever pitch, a male model took to the cat-walk in a pair of sheer tights that left nothing to the imagination. Sebastian has a great future ahead of him in theatrical costume design: he also dresses Mystic Meg, the TV astrologer.

There were fewer theatrics and more clothes at Pearce Fionda's second independent cat-walk show sponsored by Marks & Spencer. It was a relief to see some beautifully constructed, well thought-out clothes that women over the age of 13 will want to wear.

The duo's signature tailoring - neat jackets, sculptured to the body with curvy pedlars and skirts that flipped out from behind to form an elegant line - were a breath of fresh air. Even the pencil skirts that had been cropping up at almost every collection were cut so as to allow freedom of movement.

Also showing his second collection yesterday was Fabio Piras, an Italian who came to London when he gained a place at St Martin's. The designer has a sharp eye for purity of line and his thoroughly modernist collection of beautifully seamed dresses, easy-to-wear jackets, and cropped-to-the-calf trousers was both commercial and a delight, and showed that there is still hope for London's emerging breed of design talent.

Going for gold: A satin dress by the design duo Pearce Fionda Photographs: Ben Elwes

## Animal-exports firm fined

The RSPCA yesterday welcomed a court's decision to fine a live animal exporter almost £10,000 after a cargo of 249 calves was transported for almost two days with only a 90-minute stop.

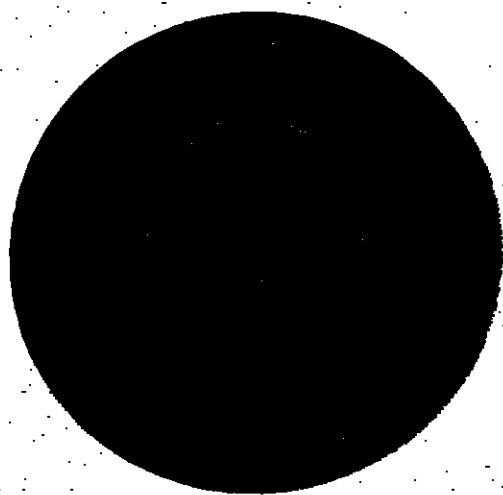
Andy Foxcroft, an RSPCA officer, said the fine by Dover magistrates' court against Dutch exporter Nicolay BV rewarded a covert surveillance operation which had involved tracking a lorry from the Irish Republic to Barcelona via Kent.

Animal rights protesters described the fine as "decisory", however, and said it amounted to less than £1 per calf for each hour that they were in transit.

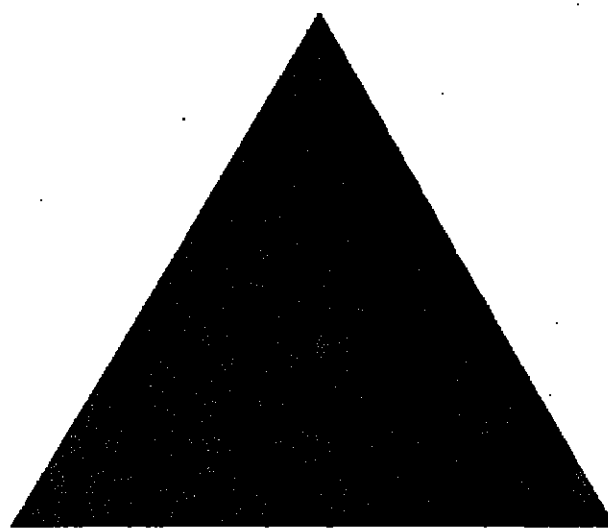
The court was told that on 8 June last year a cargo of calves left Adare in Ireland, bound for Barcelona. The journey involved a ferry crossing to Fishguard and then non-stop by road to a resting place near Dover, where the calves were unloaded for 90 minutes. They were then put back on

to the three-decker lorry, and transported across the Channel to Calais where they were driven non-stop to Barcelona. The journey took a total of 47 hours.

British rules stipulate a maximum unbroken journey time of 15 hours, and no Continental country permits more than 24 hours in one stretch. Nicolay BV said in its defence: "The company expresses a sense of shame over this. It cannot explain how it seems to have so palpably failed to adhere to the rules."



Cross.



Quite pleased really.



Bass BRITAIN'S BEST SELLING PREMIUM HAND PULLED ALE SINCE 1777.



## politics

## Left cold-shouldered in final Shadow Cabinet

PATRICIA WYNN DAVIES  
Political Correspondent

Tony Blair yesterday completed his shake-up of frontbench junior and middle ranks, with the 1992 intake accounting for 16 of the 20 promotions and a record 19 women now holding jobs or serving as whips.

The Labour leader also sent a clear signal of his determination to tackle welfare reform, appointing Malcolm Wicks, the former director of the Family Policy Studies Centre, and arch-moderniser John Denham to join Chris Smith's social security team.

The final shuffle after last week's Shadow Cabinet elections did not, reportedly, come without pockets of resistance. And as new Labour continued in the ascendant, eight frontbenchers lost their jobs – six of them were sacked.

Despite the backlash against new Labour in last week's elections for the top posts, in the entire 79-strong frontbench – including the elected members – left-wingers now account for barely 10 per cent.

Mr Blair has responded to last week's rebuff by making substantial changes in the junior ranks, the springboard for potential ministerial office if the Labour Party wins the general election.

The rewards for the new intake – including some economic jobs – contrast with last



Barbara Roche, a barrister and close friend of Tony Blair's wife, has been appointed as the understudy to Margaret Beckett, shadow President of the Board of Trade. One of the modern breed of Labour MPs, she will help spearhead the continuing charm offensive in the boardrooms. Mrs Roche, 41, was Mrs Beckett's PPS when Mrs Beckett acted as leader after John Smith's death. She is firmly in the Blairite centre, and a committed moderniser.



Peter Hain, 45, MP for Neath (whip), is proof that Tony Blair does not intend to exclude the left entirely from the front bench – but also that left-wingers must prove they are clever and constructive. The anti-apartheid campaigner and chairman of the Young Liberals turned Tribune "soft left" has not shrunk from criticising the Labour leader. Avoided adopting the mantle of successor to Tony Benn, however, with the result that Mr Blair believes he has much to offer.



Tessa Jowell, MP for Dulwich, south London, is a star of the 1992 intake and takes women's portfolio. A super-presentable front-line moderniser, she is very bright with a formidable knowledge of her previous health brief. She is rated highly by Tory whips, which is a sure test. A former senior social worker specialising in community care at senior level and an ex-deputy director of MIND, the mental health charity, she is definitely future Cabinet material.



Stephen Byers, MP for Walsend, becomes a member of the all-important education team after mightily impressing Tony Blair in the whips' office. A former law lecturer, he had a hard time securing selection for a safe seat in the strife-ridden early 1980s, mainly because he did not have enough backing from the big manual unions necessary in the North-east. Expert user of parliamentary questions to ferret out information damaging to the Tories.



Helen Liddell, 44, MP for Monklands East (Scottish Affairs) leapt from victory in a difficult by-election racked by charges of council nepotism (which she strenuously criticised) ranks as an outstanding promotion. Mr Blair, it is said, rates her very highly. At this year's Scottish Labour Party conference she made what he viewed as one of the best speeches ever in favour of reforming Clause IV. Has what one aide called "balls of steel".



JOHN DENHAM, 42, MP for Southampton Itchen (Social Security), is one of a small but key group of south of England Labour MPs, and one with a majority of just 551 in a three-way marginal. He has experience of fighting Liberal Democrats as well as Tories and did sterling work during last year's Eastleigh by-election when Labour confronted sceptics and came second. An early flirtation with Trotskyism long outgrown, he is a convinced moderniser.

key seats around the country in the next general election. He will, in addition, work with Gordon Brown, the shadow Chancellor, on election strategy and communications.

The new faces in the whips' office (the party business managers) include Janet Anderson, Ann Coffey, Jane Kennedy, Greg Pope, Bridget Prentice and Peter Hain. Mr Hain, the "soft" left-winger who entered parliament after the 1991 Neath by-election, backs the modernising trend. He has criticised Mr Blair's modernisation of Labour, but is respected for his parliamentary work and his reputation in South Wales.

Nicholas Brown, who has served in the economic and health teams, will succeed Don Dixon as deputy chief whip after a transitional hand-over period.

The new blood would "have the chance to prove themselves in advance of government, should we get there," a party aide said.

MPs no longer on the frontbench are: Martin Jones (agriculture), Martin O'Neill (trade and industry), Joan Walley (transport), Robin Corbett (disabled people's rights), Maria Fyfe (Scotland), David Hinchliffe (health) and Donald Anderson (law officer). Eric Marlow has been moved from the defence team to the whips' office.

## Fox will defend leadership of 1922 Committee

COLIN BROWN  
Chief Political Correspondent

Sir Marcus Fox was last night digging in his heels and preparing to fight a challenge for the leadership of the 1922 Committee of Tory MPs by Bob Dunn, a former minister.

Sir Marcus, 68, said he will fight any attempt to unseat him from the committee chairmanship and vigorously denied reports that he will not be contesting the general election.

Mr Dunn, 49, is one of the few long-serving members of the 1922 Committee who is standing at the next election, and he is basing his campaign on the need for continuity.

Mr Dunn's challenge – forecast in the *Independent* last Thursday – will mark the start of a clear-out of "grey suits", the elderly knights of the shires who pass on backbench opinion to the leadership.

Eight members of the executive are standing down at the election. They are Dame Jill Knight, Sir John Hannam, Sir Peter Hordern, Sir Giles Shaw, Sir Anthony Durant, Sir Terence Higgins, Sir Fergus Montgomery and Sir Anthony Grant.

But there has been growing dissatisfaction on the backbenches that the officers of the 18-strong 1922 Committee – in effect the shop stewards for the Tory backbench – have been passing on leadership views to the rank and file, rather than warning John Major and senior colleagues of their views.

It is expected that if Sir Marcus carries out his threat to stand and fight, he will be run

very close by Mr Dunn but there will be challenges to other members of the executive, including Sir Geoffrey Johnson Smith.

Mr Dunn said: "I am standing on one ground and one ground alone. It is now clear that a significant number of the officers and members of the current executive committee will not be seeking re-election at the next general election. I believe it to be essential that the leadership of the 1922 Committee should be drawn from among those who aspire, subject to the will of the people, to be present in the next Parliament."

"Accordingly it is for reasons of continuity and the need for a succession to be created that I put my name forward as candidate for the chairmanship of the 1922 Committee."

Sir Marcus was accused of shooting from the hip during the leadership election, when he appeared to offer the endorsement of the executive for John Major. That angered at least two members of the executive, David Evans and John Townend, who supported John Redwood.

The 1922 Committee chairman also surprised colleagues recently by saying there was a case for stealing Labour's clothes by imposing a windfall profits tax on the privatised utilities to pay for tax cuts.

But Sir Marcus is a gritty fighter who last year saw off a challenge by Sir Nicholas Bonser. Sir Nicholas was quickly promoted from the back benches into the Government as a foreign minister after Mr Major's leadership election.



Ready for battle: Michael Forsyth (centre) and George Robertson (right) arriving at the meeting in Aberdeen yesterday at which Mr Forsyth attacked Labour's plans for a Scottish parliament. Photograph: Derek Irlsides

## Devolution 'would bring jobs holocaust'

JOHN ARLIDGE  
Scotland Correspondent

Michael Forsyth, the Secretary of State for Scotland, yesterday launched his most ferocious attack yet on Labour's devolution plans, saying that a tax-raising Scottish parliament would create an economic "holocaust".

A Scottish assembly with the power to raise income tax by up to 3p in the pound – the so-

called "tartan tax" – would deliver "a knock-out blow" to Scotland's economy, he claimed. Higher taxation would discourage investment at a time when the Scottish economy was enjoying record growth.

Addressing MPs in Aberdeen at a meeting of the Scottish Grand Committee, the legislative body, Mr Forsyth said: "Nothing could be more damaging to the prospects for jobs

than the tartan tax. A Scottish parliament with tax-raising powers would be a jobs holocaust." Labour's proposals were "deeply and utterly irresponsible", he claimed.

But amid rowdy scenes, George Robertson, Labour's spokesman on Scottish affairs, dismissed Mr Forsyth's criticisms. Scotland's economy would thrive under devolution, he said, with decisions taken at

local level. Mr Forsyth's arguments were "the usual cocktail of exaggeration, scares, deception and publicly funded propaganda which has become the hallmark of Scottish Office ministers", he said.

Mr Robertson accused Mr Forsyth of "sneering and lying" about a tartan tax and pointed out that under Labour's devolution plans a Scottish parliament could raise or cut income tax.

## Patten to lead fight against divorce Bill

COLIN BROWN

John Patten, the former Secretary of State for Education, is poised to lead Tory backbench opposition to the proposals by the Lord Chancellor to simplify the laws on divorce.

Mr Patten, a leading Roman Catholic, has urged the Government to "bury the Bill" before it buries marriage. He could be an important champion against the Bill, which is scheduled to be introduced in the next Queen's Speech in November.

The Government has anticipated trouble with its own backbenchers by announcing that it will allow a free vote on the measure, allowing MPs to vote against it with impunity.

Mr Patten is understood to have opposed the proposals with John Redwood, the former

Secretary of State for Wales, when they were mooted in the Cabinet. The Bill is likely to cause anxiety for other committed Christians in the Government, including John Gummer, Secretary of State for the Environment, and Ann Widdecombe, the Home Office minister.

Mr Patten called for a Royal Commission on divorce, and for the Bill to be subjected to the special procedure in which expert evidence can be taken in committee. "But best of all, if it were quietly buried before the Bill buries the institution it seeks to reform," he said on BBC Radio.

He said the measure would enable husbands and wives to demand divorce a year after marrying, even where there was no evidence of the marriage having irretrievably broken down.

## Labour pledge on rail rolling stock

Labour yesterday said for the first time that the three companies intended to own railway rolling stock after privatisation would be subject to the control of the Rail Regulator if there is a change of government, writes Den MacIntyre.

The Commons pledge by Brian Wilson, newly installed transport spokesman under Clare Short, is a significant confirmation that Labour is not planning wholesale renationalisation of the industry.

He said the Regulator would prevent the rolling stock companies "holding the rest of the industry to ransom".

The move follows a month of uncertainty since the Labour Party conference over how far the party was committed to fulfilling the terms of the resolution promising to take the railway back into ownership as soon as possible.

Mr Wilson said last night: "Under Labour, the rolling stock companies will be brought under the control of the Regulator in order to prevent them holding the rest of the railway industry to ransom."

Labour hopes its announcement will act as a potential restraint on the expectations of potential investors.

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مركز من الامم

Priest faces  
sex-abuse cla



Queen and Beatle releases featuring songs by rock's late, great heroes are set for a macabre battle, reports **David Lister**



Afterlife: The statue of Freddie Mercury, who died four years ago, joined by the three remaining members of Queen on the cover of the group's latest album, 'Made in Heaven'

## Heavenly: A new Mercury album

A new album by the rock group Queen was launched last night featuring the singer Freddie Mercury, who died four years ago.

The launch by EMI Records in London, with an accompanying film commissioned by the British Film Institute, marks the start of a curiously macabre battle for the top of the charts, in which the late Freddie Mercury will challenge the late John Lennon for the top spot. Queen's album, *Made in Heaven*, will be released on 6 November, a few weeks before the first "new" Beatles album for 25 years, which includes a new song from John Lennon, recorded in the Seventies and added to by Paul McCartney, George Harrison and Ringo Starr with the aid of the latest recording technology.

Queen's venture takes this even further. Mercury recorded seven tracks before his death from Aids in 1991, and the surviving members of the band

have added their music and backing vocals to them in the recording studio.

It amounts to the first new Queen album since *Innuendo* in 1991, and the 20th - and presumably last - album by the group. It is likely to be involved in a race with the Beatles' release to be the Christmas number one album.

The album's sleeve features the three surviving members of Queen with a statue of Mercury at his former home in Montreux, Switzerland. And the album contains, among other Mercury songs, his "A Winter's Tale", in which he praises the beauties of living:

"So quiet and peaceful  
Tranquil and blissful  
There's a kind of magic in the air."

A single from the album, "Heaven for Everyone", was released yesterday. And a Queen "site" is being put on the Internet system for fans of the group to swap information.

## Howard in crackdown on jury nobbling

PATRICIA WYNN DAVIES and STEPHEN WARD

A new move to crack down on jury nobbling is set to be unveiled by Michael Howard, the Home Secretary, in a Bill to be included in next month's Queen's Speech.

The measure, which is expected to form part of a promised Bill on pre-trial disclosure of defence evidence, will give judges the power for the first time to order an acquitted defendant to be tried again if there has been a conviction for nobbling the original jury.

The provision will conclude the implementation of the so-called "27 points" set out by Mr Howard in his 1993 Conservative Party conference speech on law and order.

Last year's Criminal Justice and Public Order Act created a new offence of intimidating a witness, juror or a person assisting in the investigation of an offence.

Pervverting the course of justice by conspiring to interfere with or influence a jury was already a criminal offence.

In a recent case, Paul Taylor, a leader of the 1990 Strangeways jail riot, had three years added to their sentences last year for an elaborate plan that involved sending letters to jurors urging them to acquit. The plot was discovered when they mistakenly contacted two women who were not on the jury.

There have been instances of trials being abandoned because

of actual or suspected jury nobbling, or where juries have failed to agree on any verdict, but then being reactivated later.

There is no provision, however, for defendants who secure a not guilty verdict to be re-tried if they or their accomplices are successfully prosecuted for jury nobbling.

Mr Howard believes the new power is needed as a matter of justice. It would also act as a strong deterrent to attempts to sabotage trials in the first place.

Forcing jurors to clear a defendant through bribery or threats is known to take place, but the handful of cases which have come to light represent only the tip of the iceberg, police believe.

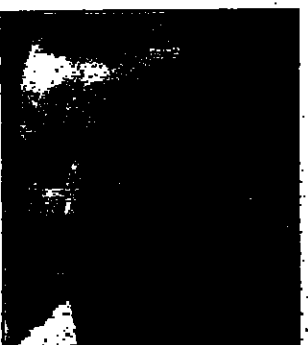
A majority of at least 10-2 is needed for a conviction, so at least three jurors have to be nobbled to secure a not guilty verdict.

The scope for associates of defendants to approach jurors is considerable. Jurors often enter and leave the courtroom by the same entrance as the public, their names are read out when they are being selected, and their faces can be seen from the public gallery throughout the trial.

The principle behind the measure, which was first proposed by the 1993 Royal Commission on Criminal Justice is likely to be backed by the Lord Chief Justice, Lord Taylor, who is a strong supporter of jury trials - subject to the details of proposals covering implementation.

"If you're going to have jury trial you need the protection not only of sanctions but of a deterrent that says it's not worth your while doing this," a Whitehall source said.

In 1991, the jury in the trial of four men who laundered \$4m from the bank's Marbella raid were given round-the-clock protection by a squad of police during an eight-month hearing. The first trial had been abandoned after five months amid a scare that the jury had been approached. The cost of the aborted trial was more than £2m.



Paul Taylor: Strangeways rioter who tried to nobble jury

## Priest faces fresh sex-abuse claims

ALAN MURDOCH  
Dublin

Irish Catholic Church leaders exerted considerable authority over the Irish leadership of an order at the centre of a 30-year sex-abuse scandal, despite public claims that they had no influence over it, a television programme to be broadcast tonight claims.

Senior clergy last year publicly argued that they had been unable to intervene in the case of the paedophile priest Father Brendan Smyth, jailed for four years in 1994, because they lacked authority over the Norbertine Order of which he was a member. But the film, *Keeping the Faith*, made by Ulster Television, suggests that bishops privately sought to impose control over the

order's abbot, including barring him from public comment.

The programme also details new allegations from four victims that they were abused by Smyth within the Norbertine abbey at Kilnacrott, Co Cavan.

The failure to extradite Smyth to Northern Ireland last year led to the collapse of the Irish government. Smyth, now 64, was last month sentenced to a further three-year jail term for sex assaults against children. He is expected on release to face 30 more charges in the Republic.

The issue of whether Catholic bishops had *de facto* authority over the Rome-based Norbertines may be critical in determining whether the church should be made legally liable for compensating victims of Smyth and other clerical sex abusers.

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## UN FIFTIETH ANNIVERSARY

# Bearhugs fail to end US-Russian rift on Bosnia

RUPERT CORNWELL  
Washington

Presidents Bill Clinton and Boris Yeltsin held a three-hour mini-summit yesterday - friendly enough in its trappings but unlikely to resolve the deep divisions between the former super-power rivals over Moscow's refusal to place Russian troops under Nato command in Bosnia, and its hostility to the alliance's plans to expand to the East.

For their third meeting of the year, the two leaders chose the deliberately symbolic site of Hyde Park, the family home 50 miles north of New York City of Franklin Roosevelt, under whose presidency the US and the Soviet Union were allies against Nazi Germany from 1941 to 1945.

But despite the outward warmth of the occasion, complete with an exchange of welcoming bearhugs and the laying of red roses at FDR's grave, there was no hiding the differences between Moscow and Washington, as wide as any in the four years since the demise of the Soviet Union. Even before the meeting began, US officials made it clear that

breakthroughs were not to be expected.

In his speech on Sunday at the United Nations, Mr Yeltsin declared that Russia would only take part in the peace-keeping mission that would follow a settlement of the Bosnian war if it were under "a strict mandate of the UN Security Council", where Moscow has a veto. As far as the US is concerned however, it will not commit troops to the force unless it is under a single and unambiguous Nato military command.

In the longer run, Moscow's objections to the alliance taking in as new members former Warsaw Pact countries in central and eastern Europe may be even more troublesome. Despite assurances - most lately from Tony Lake, Mr Clinton's national security adviser - that Nato expansion would be "gradual and open" so as not to unsettle Russia, Mr Yeltsin is unimpressed.

Making matters worse are the domestic politics of both countries, where presidential elections are due next year, and in which each leader will be under pressure from the right. Mr Yeltsin's prickliness, and his recent threat to sack his com-

paratively pro-Western Foreign Minister, Andrei Kozyrev, largely reflect the need to cover his flanks against a powerful nationalist lobby, outraged over what it sees as a humiliating decline in Russian clout abroad.

Mr Clinton's situation is not dissimilar - only in his case, the problems are a hawkish Republican Congress and an electorate unconvinced he has the steel to conduct a successful foreign policy. His response was this summer's more forceful policy in Bosnia, and the heavy Nato bombings of the Bosnian Serbs which aroused such ire in Moscow.

Nor is disagreement confined to Europe. Though the issue has slipped from the headlines, Washington is still annoyed by Russia's refusal to halt its \$1bn sale of two nuclear reactors to Iran in defiance of US warnings the equipment would only help Tehran build nuclear weapons.

Moscow and Washington however do seem at one over the future of the Conventional Forces in Europe (CFE) treaty, where the US is ready to permit Russia to retain more military equipment on its southern borders, to deal with possible secessionist rebellions.



Spanish Harlem: Fidel Castro waits with his interpreter to address Cuban support groups in the Abyssinian Baptist Church Photograph: Reuters

## Castro does the Harlem shuffle

DAVID USBORNE  
New York

The outcast, the still-angry revolutionary, the misunderstood father of a mistreated land. Fidel Castro had chosen his role for the evening and found the perfect venue: a brick church among boarded-up tenements in the heart of New York's own nation of poor and dispossessed: Harlem.

And the performance was a virtuoso one. No longer was the Cuban leader in the shiny double-breasted suit he had worn earlier to address the 50th anniversary session of the United Nations. In Harlem he was in more familiar attire: fatigues, peaked cap and combat boots.

Standing centre-stage on a small round dais, 1,400 supporters ranged on semi-circular pews before him in the Abyssinian Baptist Church, Mr Castro swayed theatrically, waved his

hands and indulged in 75 minutes of emotional oratory.

It was to Harlem that Fidel Castro fled in 1960 when, while attending the 15th birthday of the UN, he was ejected from his Manhattan hotel, allegedly for plucking chickens in his suite. And now he found himself rejected again, the only leader among some 140 in New York not on the invitation list for a gala dinner given by President Bill Clinton.

"This is the 35th anniversary of my first visit to this neighbourhood. And the incredible thing is, I am still expelled. I am still being left out of the dinners, as if nothing had changed in all these years, as if we were still in the days of the Cold War". He had been cast once more as the "demon", and "a demon cannot be invited to dinner".

Even that suit did not escape his irony. "Once in a while I have to dress up like an hon-

ourable gentleman in a business suit. I did not study the career of looking like a gentleman. I have had to learn the trade along the way. But I said to myself: I am going to Harlem to see my friends and I asked myself why am I going to Harlem in a business suit?"

Friends in Harlem? Well, perhaps a few. At each end of Odell Clark Place, where the church stands, there were small knots of chanting supporters, mostly local blacks. Some spoke warmly of him, many others had just been drawn from their homes to see what the fuss was about. It was far from a huge turn-out, however, nothing on the scale of the crowds who gathered to see the heavyweight boxer Mike Tyson after left jail last spring.

Princess Valdez, who had ventured out in a blue plastic bathcap, voiced mild interest in the Cuban leader. "I think he's

a helluva man just to have lasted that long," she says. S.X. Austin, a trainee on Wall Street, admires his "uncompromising stature". And he adds: "There is an historic reverberation, a vibration with him coming back to Harlem."

As Fidel Castro speaks, a small confrontation develops at the corner of Odell Clark and Malcolm X Boulevard. On one side of the street there are the Castro supporters shouting for an end to the Cuban embargo; on the other, a passionate group of exiled Cubans pleading for the embargo to be maintained.

A large road-gritting truck from the City Sanitation Department is manoeuvred between them.

"They like Castro because they think he is not a racist," rails Avenol Franco, 32. "They are right, he is not a racist. He kills blacks and whites in Cuba."

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DAVID USBORNE  
New York

As Britain and Argentina prepared yesterday for the first meeting between their leaders since the end of the Falklands war 13 years ago, President Carlos Menem signalled that he was willing to see a further thaw in relations between the two countries.

Mr Menem, who was to meet John Major on the fringes of the United Nations 50th-anniversary celebrations, told journalists that he expected a fisheries agreement between the states to be signed "towards the end of this year or early this year".

To the relief of British officials, Mr Menem also indicated that he did not intend broaching the still sensitive topic of the sovereignty of the Falklands, known in Argentina as the Malvinas.

"As you know, sovereignty has been placed under an umbrella for the time being," he said before the meeting.

A fisheries agreement, which would include provisions both for the sharing of fish between the Argentine and Falkland Island fishing communities and, more particularly, for co-operating in the protection of dwindling stocks, would follow the agreement reached by the two countries just last month to al-



Chat line: John Major with the Emir of Kuwait, Sheikh Jabir Al Sabah (right) and an interpreter at the UN

low for oil exploration in waters in the region.

Mr Menem, who was expected to discuss details of the oil deal with Mr Major, will travel to Houston today to hold talks with American oil com-

panies on interest they may have in searching for reserves in the area. So far there has been little sign that the oil industry in the United States or in Europe is ready to rush to the South Atlantic to begin exploration.

Mr Menem was at pains to emphasise how far his country's relations with Britain have improved since diplomatic ties were restored in early 1990, soon after he first came to power. "Our relations with the UK are good," he insisted. He said that trade between the countries was improving and noted, as an example, that British Airways is now flying to Buenos Aires.

"We have received quite a number of investments in Argentina made by British companies and British companies are also participating in the privatisation process in Argentina," Mr Menem said.

His evident wish to proceed cautiously on the long-term fate of the Falklands was likely to ensure a smooth meeting with Mr Major, which both sides had intended as a largely symbolic occasion to reinforce the new friendship between the governments. "So he is not going to be silly; that's good," one British diplomat remarked.

In the past, however, Mr Menem has vowed before domestic audiences in Argentina that he would win back the sovereignty of the islands from Britain by the year 2000. For the moment, however, he seems willing to leave the issue on the back-burner - or under a discreet diplomatic "umbrella".

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صوتك من الامم





Stopping the traffic: Police on horseback bring Manhattan to a halt at the junction of Second Avenue and 42nd Street as part of security for the UN summit

Photograph: Richard Haro / Reuter

#### IN BRIEF

##### Europe's burden

President Yoweri Museveni of Uganda told world leaders that assistance to Africa was a moral debt for Europeans, who were responsible for many of Africa's problems. "They owe us debts. They caused us a lot of problems, they plundered our economies. So it is only a moral requirement that Europe should help us, if only to pay for the past mistakes." *Reuter*

##### Total failure

The UN was a total failure in the Bosnian conflict, Sarajevo's leading newspaper said. "In Bosnia, it has trampled on all its principles," a commentary in the *Oslobodjenje* daily said. The peacekeeping mission had suffered an "awful defeat". *Reuter*

##### Kohl's excuse

German Chancellor Helmut Kohl said in Bonn yesterday he had not gone to New York because it was not worth the trip. "I have great respect for the United Nations, but my respect could not be expressed by taking my leave again five minutes after being led to the podium." He would address the world body at the next opportunity, when he had a "chance of actually being heard". *Reuter*

##### New peace role

President Nelson Mandela said South Africa is willing to start contributing to international peacekeeping. "If we're asked by the UN to be part of a peacekeeping operation, we would consider it very seriously," he told reporters. Until now ministers have said that the country's preoccupation with domestic affairs prevented it from participating. *Reuter*

## Paris blames Algeria for aborted summit

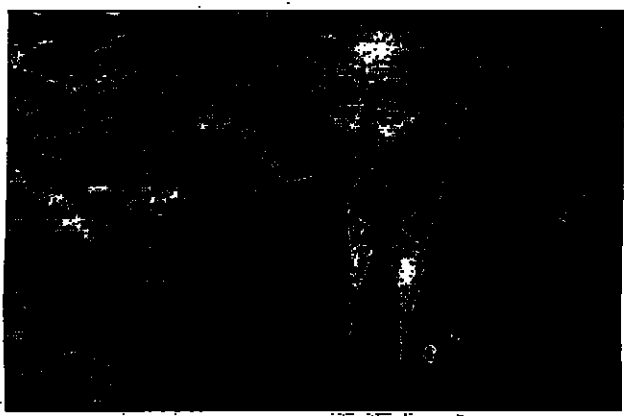
MARY DEJEVSKY  
Paris

The day after the summary cancellation of President Jacques Chirac's ill-starred meeting with the Algerian president, Liamine Zeroual, in New York, officials in Paris changed their aggrieved tone to one of aggressive nomenclature, blaming Algeria for the whole affair.

On Sunday, ministers, including Foreign Minister, Hervé de Charette, and government MPs had crowded to the microphones to express their "regret" and call on France to "rally round Mr Chirac". Yesterday's contributions, led by Mr de Charette, amounted to saying that Algeria had requested the meeting, they cancelled it, so the loss was theirs.

The minister told a radio programme that the meeting had been called off because of an "election ploy" by Mr Zeroual, one of four candidates in Algeria's presidential election next month. Mr Chirac, Mr de Charette said, wanted "a real dialogue and not a show for the cameras". The meeting did not happen, he said, "and that is no drama." He said he had no regrets.

The change of tone suggested an effort from Paris to cut its losses and look on the bright



Chirac at the UN: Algerian setback for French diplomacy

side. Mr Chirac, one argument went, had managed to get out of a politically difficult and domestically embarrassing meeting without having to cancel it himself. He had also fulfilled the most immediate of the Islamic terrorists' demands - not to hold the meeting - without being seen to give in to terrorism.

The bright side, however, was mostly obscured by a wave of French political and media criticism of what was almost universally described as a diplomatic fiasco of the first order. One of the more polite comments, from a former diplomat, was that the meeting had been "poorly arranged".

As critics saw it, Mr Chirac

and French diplomacy - had suffered a multiple setback. First, there was the questionable principle of holding the meeting at all, especially at the beginning of the Algerian election campaign; second, there was the clumsy way in which such a controversial encounter had been announced by Mr Chirac in Madrid, without any explanation; third, there was Mr Chirac's decision to persist with the meeting, piling on the justifications.

Finally, just when one argument - that Mr Chirac was going to give Mr Zeroual some firm advice about the desirability of holding a free and fair election - was gaining accep-

ance in France, the Algerians turned the tables and called the meeting off, making Mr Chirac look weak, and his diplomatic team ineffectual. The Algerian spokesman even accused France of initiating the meeting, back in July, something immediately denied by Mr de Charette.

While Mr Chirac is now free of any charge of favouring Mr Zeroual's candidacy, he has undoubtedly stored up trouble for the future. In the likely event that Islamic terrorism in France persists and that Mr Zeroual is re-elected, with a populist anti-French strand now added to his platform, Mr Chirac will have to deal with a new layer of bitterness in Franco-Algerian relations and one for which he bears the direct blame.

One French commentator yesterday suggested that the bad-tempered breach with Mr Zeroual showed that France's Gaullist policy of trying to call the tune in former African colonies after independence was now unsustainable. The age of Jacques Foccart, General de Gaulle's head of Africa policy who accompanied Mr Chirac on his visits to North Africa earlier this year and embodies the old Gaullist ways, said the daily *Informatin*, could finally be over.

## Protests timed to embarrass China's leader

TERESA POOLE  
Peking

A well-timed campaign by the families of imprisoned dissidents and activist groups has focused attention on China's political prisoners ahead of today's meeting in New York between President Jiang Zemin and President Bill Clinton. Exiled Chinese and Tibetans in the United States also plan protests to coincide with the talks.

Yesterday, Wang Zhihong was spending her second night in detention after the family of her sick and imprisoned husband, Chen Ziming, staged a public protest on Sunday in

Peking. Mr Chen's parents and sister held a sit-in at a park, holding his framed photograph, and read out a statement demanding proper medical treatment for the prisoner.

The wife of Lin Nianchun, an activist who disappeared in May without explanation, has also been lobbying for his release and is now under police surveillance. Two groups of mainland activists have sent open letters to Mr Jiang urging the release of all political prisoners. In Germany, the sister of Wei Jingsheng, China's most prominent dissident and a nominee for this year's Nobel Peace Prize, has written to Mr Chen

asking him to press for Mr Wei's release.

Mr Chen, 43, who suffers from cancer and hepatitis, was sentenced to 13 years as one of the "black hands" of the June 1989 pro-democracy movement. He was given medical bail a year ago, but was re-arrested in June and his health is believed to have deteriorated.

In the US, Wang Juntao, a friend of Mr Chen who was also sentenced as an alleged "black hand" but last year allowed to leave China, has planned a hunger strike outside the UN in the hope of boosting international pressure for Mr Chen's release. Other "welcoming

committees" for Mr Jiang include a group of six exiled Tibetans on hunger strike over China's presence in Tibet.

Members of China's dissident network who are in detention have become skillful at timing their rare protests. The New York-based Human Rights in China said yesterday nine activists in Sichuan province had issued a signed open letter calling on Mr Jiang "to pay attention to the human rights situation, which has continued to worsen in the past year". It called for "political tolerance". Last week a similar open letter was released by 12 signatories in Zhejiang province.

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## international

## Chirac's domestic set-up has franc in a flat spin

MARY DEJEVSKY  
Paris

The franc came under pressure on international markets again yesterday after a reawakening of questions about the private housing arrangements of President Chirac.

The franc's jitteriness coincided with reports that the government still had 15bn francs (£2.01bn) of savings to find to meet its 1996 budget targets. But politics as much as economics were thought to have prompted yesterday's problems, highlighting the continued fragility of the five-month-old Gaullist administration.

The immediate cause was an exclusive report in the left of centre daily, *Liberation*, that the national public prosecutor had been asked to rule on circumstances in which Mr Chirac and his wife renewed the lease on their Paris flat in 1990. The nature of the alleged offence would be similar to that which

recently threatened the Prime Minister, Alain Juppé.

Mr Chirac, it is alleged, effectively awarded himself a low-rent Paris flat when, as mayor, he was responsible for housing in the capital. Current legislation makes it an offence for elected officers to obtain housing or any other council service from their own council.

The Chiracs' housing arrangements came under scrutiny briefly during the presidential election campaign when it was revealed that the flat they occupied in rue du Bac, a fashionable street in the Latin Quarter, was actually leased at a low rent from a housing association in which the city council had a one-third interest. A smaller flat, which they owned, was let to tenants at a higher, market, rent.

It transpired that the Chiracs had lived in the spacious flat for nearly 20 years. But there had been a brief scare in 1989, when the owner died and the

freehold was put up for sale - which could have entailed renegotiation of the Chirac lease.

After the freehold failed to find a buyer at the original price, it was eventually bought by a housing association which was partly funded by the city council and functioned under its aegis. Mr Chirac claims to have had nothing to do with the purchase, but the fact is that his lease was renewed, at a monthly rent of 11,000 francs (£1,425) - less than half of what a similar mansion flat would fetch on the open market.

A lawsuit was initiated by Evelyn Ferreira, an ecology activist and Paris ratepayer, for the legality of the Chiracs' lease to be considered. This suit lay dormant with the Paris judiciary until last week when, as *Liberation* revealed, a formal request was delivered direct to the national prosecutor, Bruno Cotte, asking him to consider if there were grounds for investigating Mr Chirac. This was the

same question which he had answered positively in the Juppé case, supplying Ms Ferreira with her precedent.

In Mr Juppé's case, a legal compromise - widely criticised as two-tier justice - was formulated which required him to leave the contested flat before December or face an investigation that would force his resignation as prime minister. Mr Juppé moved out on Saturday.

With Mr Chirac, the position is simpler because he holds office for seven years and could hardly be forced out for such an offence. But it is also more complicated because it would severely test the constitutional relationship between the presidency and the judiciary. Probably, the case will never get that far. The strength of public opinion, and that of officials who face the loss of their subsidised flats after the Juppé affair, could encourage the Chiracs to call the removal vans sooner rather than later.



Political cycle: A cyclist in Zagreb's main street displays his allegiance to Ivo Skrabalo of the Croatian Liberal Party as campaigning continues for the Croatian parliamentary elections on Sunday. Photograph: Zoran Bozicevic/AP

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## Santer faces fresh row over French testing

SARAH HELM  
Brussels

Another row over French nuclear tests is expected to break out in Strasbourg today when Jacques Santer, President of the European Commission, will tell the European Parliament whether Brussels is to take action to halt the tests.

Last night the Commission met in Brussels to review whether France had breached its obligations under the EU's Euratom Treaty, which gives the Commission power to oversee the safety of nuclear testing by a member state. As the meeting began the signs were that the Commission would not be seeking a confrontation with France, which is understood to have handed over new information on safety issues for inspection by the Commission.

However, unless Mr Santer presents a convincing case to the parliament today for shelving action, the Commission will face accusations of failing to carry out its duty as a health and safety watchdog. Commissioners from several member states, including Denmark, Sweden, Germany and Austria, support the principle of launching proceedings against France under the Euratom Treaty. However, the Commission does not wish to take action which could lead to the European Court without a water-tight case. Ritt Bjerregaard, the Danish environment commissioner, has been blamed by some for mishandling the issue, and presenting a badly argued case against France.

As the Commission met last night, Greenpeace demonstrators protested outside the Brussels building, asking whether the

commissioners were "lapdogs" or "watchdogs" when it came to the issue of French nuclear tests.

Pauline Green, leader of the Socialist MEPs, warned the Commission when the issue was last debated in Strasbourg 10 days ago that the EU's credibility was on the line. The Parliament has discussed whether to propose a vote of no confidence in the Commission. Some MEPs suspect that the Commission is appeasing Paris to avoid souring debate on other important European issues.

The Euratom Treaty is the only legal instrument which can be used to question the legality of the French nuclear tests. It gives the Commission the right to oversee health and safety requirements before a "particularly dangerous experiment" is carried out.

In the case of the recent French tests, however, the Commission was provided with little of the crucial information needed to assess the safety of the tests. In particular, France failed to provide information on geological damage. Data on the radiation was kept back, even after the first two tests. Furthermore, a Commission inspection team which went to the South Pacific was denied access to the atolls where the tests happened.

Addressing the Parliament 10 days ago, Mr Santer said he would write to the French government requesting all the relevant information to be handed over. The key question facing the Commissioners last night was whether France had now co-operated fully, and whether any concerns were raised by the data it had provided.

## Bosnia mine blast injures UK troops

CHRISTOPHER BELLAMY  
Defence Correspondent

Two British officers serving in Bosnia have been injured by a mine while supervising Bosnian Croats on the ceasefire line.

A lieutenant in the Royal Fusiliers was yesterday in the British military hospital at Gornji Vakuf, recovering from slight injuries. The second victim, a Royal Engineers captain who is a bomb-disposal expert, was in the German UN military hospital in Split, on the Croatian coast, where a surgeon was expected to remove a fragment from his eye.

British UN troops have begun moving in from the Muslim and Croat side to help implement the 10-day-old truce between the Serbs and the Muslim-Croat federation. Yesterday the Bosnian Serbs said they too would accept peace-keeping troops along the ceasefire line, but only from Russia and other "friendly countries".

The Bosnian Croats had asked for UN supervision as they tried to find three of their soldiers - now thought to be dead - on the ceasefire line, eight miles north of Jajce, recently captured by the Muslim and Croat allies from the Serbs. British military sources yesterday said one Croat body had been recovered.

Until the weekend, the Muslim-led Bosnian government forces and the Bosnian Croat

army had kept UN peacekeepers away from the ceasefire line, yesterday reported to be quiet. UN-sponsored meetings between the Bosnian Serbs and the Muslim-Croat federation began on Friday and continued at the weekend.

The future of the UN operation in Bosnia is uncertain. If the ceasefire holds, the mission is expected to end and a larger Nato peace-implementation force, based on the Rapid Reaction Corps, will take charge. But disagreement between the United States and the Russians about Nato's role could jeopardise this plan.

Should the UN mission in Bosnia continue, Major-General Mike Jackson, formerly of the Parachute Regiment, will take over from Lieutenant-General Rupert Smith towards the end of this year. If the UN mission ends, General Jackson could still find himself in Bosnia, but commanding the British Third Division under Nato.

As UN troops began trying to cement the ceasefire, the UN also brokered talks between Serbs and Croatian government representatives in Osijek, eastern Slavonia - the last Serb-held enclave in Croatia. Croatia's President, Franjo Tudjman, has threatened to seize back the area by force if talks fail. The Serbs have agreed in principle to hand the area back after three to five years: the Croats yesterday said they wanted it in 18 months.

Italian  
menace  
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two fro

IN BRIEF

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Pill to the rescue

Boys of command

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صحة من الامم



## Italian PM menaced by attack on two fronts

ANDREW GUMBEL  
Rome

Italy's Prime Minister, Lamberto Dini, faces a two-pronged attack on his nine-month-old government from both the right and the far left today as Italy heads into a new political crisis. Fired up by the acrimonious dismissal of the Justice Minister, Filippo Mancuso, the centre-right coalition led by Mr Dini's predecessor, Silvio Berlusconi, and the far-left Rifondazione Comunista last night announced that they were teaming up to mount a parliamentary no-confidence vote.

The two sides said that despite their different outlooks, they would club together to destroy Mr Dini, a decision that threatens to wreck chaos for months and throw the economy into disarray just when it has begun to impose some order on its debt-ridden public finances. If their MPs follow party lines in the debate starting today, they will defeat Mr Dini by a narrow margin and thereby scupper the remainder of his policy programme, including the 1996 budget, which has been presented to parliament but has yet to be approved.

Its suspension would embarrass Italy as it prepares to take over the European Union presidency for six months from January and risk relegating it definitively from the premier league of European nations.

Traders on Italy's financial markets, sensing the storm, sold lire yesterday and pushed the Milan bourse's Mibtel index to its lowest level.

Mr Dini's seemingly thriving non-political administration has suddenly been sucked into the kind of venomous power games that used to plague the country in the darkest days of the old Christian Democrat-led political order.

The crisis erupted on Thursday, when Mr Mancuso, a career jurist whose attacks on anti-corruption magistrates had alienated him from public opinion and his own government colleagues, was defeated in a no-confidence motion — unprecedented for an individual minister — in the Senate.

He responded on the Senate floor with an attack on Mr Dini and President Oscar Luigi Scalfaro, accusing them of conniving at grave abuses at the Milan prosecutor's office. He

had a text of his speech distributed to journalists. It contained more damaging allegations of undue interference by Mr Scalfaro. He also appealed against his removal to the Constitutional Court, which is due to discuss it today.

Mr Mancuso's performance struck a chord with Mr Berlusconi, who goes on trial in January on corruption charges related to his Fininvest business empire. The media tycoon's Freedom Alliance immediately subscribed to every one of the Justice Minister's accusations and accused Mr Dini of trying to get rid of Mr Mancuso for base political reasons.

A no-confidence motion swiftly followed but Mr Dini let it be known he had no intention of resigning without a fight in parliament.

President Scalfaro, meanwhile, rebuffed the accusations against him one by one and accused Mr Mancuso, through a spokesman, of spreading smears like a mafioso.

As though a full-scale battle between politicians and the institutions of state were not enough, Rifondazione Comunista then emerged with its own plans to get rid of Mr Dini, accusing him of exacerbating the gulf between rich and poor in his latest budget proposals and arguing that his interim mandate had gone far enough.

Rifondazione Comunista was unable to drum up enough signatures to present its own no-confidence motion, so it finally decided to tag along with Mr Berlusconi.

The vote is expected to take place on Thursday.

Mr Dini has faced no-confidence votes before, and won them because deputies finally understood the urgency of his attempts to solve Italy's economic problems and broke with party ranks in sufficient numbers to keep him in power.

This time, however, will be closer than ever. If Mr Dini loses, the President is likely to call general elections before Christmas to keep the political damage to a minimum.

But even if he wins, he will not be out of the woods. Mr Berlusconi has threatened to order his coalition to resign en masse, or at the very least to sabotage the budget when it comes up for debate. This is a crisis that will not go away.

Currency turmoil, page 20



Lest he forget: In Boston's New England Holocaust Museum, Ethan Murphy, six, views the numbers of its victims. The museum, which opened at the weekend, has six glass towers in remembrance of the millions who died. Photograph: AP

## Party turmoil follows Berlin poll upset

IMRE KARACS  
Bonn

Two of Germany's leading political parties were in turmoil yesterday as they grappled with catastrophic results in Sunday's elections to the Berlin regional assembly.

The Social Democrats, who plunged to a post-war low of 23.6 per cent in Berlin, held an acrimonious meeting of the national executive as their leaders queued up to take the blame. The Free Democrats, catapulted out of the Berlin assembly with a vote of 2.5 per cent — less than the far-right Republicans — evaded collective responsibility, singling out Günter Rexrodt, the party's Berlin chairman, for punishment.

Mr Rexrodt, who is Economics Minister in the Bonn government, duly obliged, thus becoming the second senior FDP leader this year to sever his links with the party organisation. Klaus Kinkel, the Foreign Minister, had resigned as chairman of the national party after a previous electoral fiasco.

Both men are hoping to stay in Helmut Kohl's coalition government until its term expires in 1998, but both are under fire from Mr Kohl's Christian De-

mocrats. Mr Rexrodt is seen as a political lightweight who has recently been making contradictory statements on the issue closest to Mr Kohl's heart: the date for monetary union.

Mr Kinkel also has some jus-



Günter Rexrodt: Singled out for punishment

ification for feeling unloved. He has had disagreements with CDU big guns over a range of important foreign policy issues, most notably the policing of peace in Bosnia. Even before the latest FDP débâcle, the Foreign Minister was due to be shuffled out of the next cabinet.

Both men should survive as politicians, even if some unkind voices in the FDP were suggesting yesterday that Mr

Rexrodt should take up another hobby. But the party which sustains the government majority in Bonn is heading for extinction after the next elections. Of the 16 regional assemblies, the FDP is represented in only four, and its national poll rating consistently falls below the 5 per cent required to enter the federal parliament. With membership crumbling, it is only a matter of time before the FDP, the eternal coalition builder, ceases to exist.

The Social Democrats, Sunday's other big losers, are also in a precarious position. Their presence in the forefront of politics is assured, but a future in government is not. After 13 years out of power at national level, the SPD seems doomed to perpetual opposition.

Yesterday, the leadership were quick to blame the recent unseemly power struggles within its own ranks. "Big mistakes were made here in Bonn over the summer," said the party's manager, Franz Münterfering. "We must make it clear that the personal wrangling in Bonn has to stop." Next month SPD members will get a chance to put an end to such wrangling by voting out the party's leadership. Leading article, page 18

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### IN BRIEF

#### Wilson backs Dole in presidential race

Washington — California's Governor, Pete Wilson, threw his support behind the Republican presidential front-runner, Bob Dole, but said he would not accept the vice-presidential nomination if Mr Dole offered it to him. Mr Wilson, who recently dropped out of the race for Republican president, said at a press conference with Mr Dole: "Today I am convinced that Bob Dole has the character, the experience and the commitment to conservative change to take the Republican revolution to the presidency."

#### US boosts its air force base in Bahrain

Washington — Bahrain has agreed to allow the United States to base an extra 30 warplanes on the island against Iraqi military threats in the region. The US air force is calling the extra aircraft, including F-16s, an "air expeditionary force", meaning it could respond on short notice to threats not only to Bahrain but elsewhere in the Gulf.

#### PM to the rescue

Oslo — Norway's Prime Minister, Gro Harlem Brundtland (right), responded when the crew of a New York-bound airliner called for a doctor. Ms Brundtland, who abandoned medical practice for politics nearly 20 years ago, helped treat a 42-year-old man, himself a doctor, suffering from heat problems. She was on her way to 50th anniversary celebrations of the UN.



#### Doors of bombed mosque 'were locked'

Dubai — Survivors of a mosque bombing which killed seven people and wounded 101 others last Friday said they rushed to escape after the explosion, but found the doors locked, according to accounts in the Saudi press. Police and civilians searched mountains in the country's remote Asir province for the principal suspect, a former civil defence man said to have been involved in a land dispute with some people in the mosque.

#### Bodie wins 'sham' election

Abidjan — President Henri Konan Bedie easily won election yesterday to the post he inherited from the late Felix Houphouët-Boigny in 1993, but opposition parties who boycotted the poll called the results a sham. With the count four-fifths complete, Mr Bedie had won at least 96 per cent of the vote.

#### Alcohol-free Christmas for Bethlehem

Bethlehem — Planning for the first Christmas without Israeli troops, Elias Freij, the mayor of Bethlehem said he would ban alcohol and decorate Manger Square with Palestinian flags for the celebrations. Yasser Arafat's spokesman, Nabil Abu Rdeineh, said the PLO chief had invited scores of world leaders to attend the festivities, but would not divulge names.

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## international

## A nation lacking in ghouls or voyeurs

## MOSCOW DAYS

Before moving to Moscow, anxious not to commit any *faux pas*, I read a slim volume called *The Russian Way*. It is full of helpful advice about what to expect and what not to do. If you give someone flowers, make sure they make an odd number – you only give even numbers for funerals. Don't walk along a row to your seat in a theatre while facing the stage: Russians take offence at being presented with your backside. And so on.

There was an intriguing section warning travellers not to worry if they find themselves the object of curiosity. "Staring is not considered as impolite in Russia as it is in the United States," says the book. "No offence is meant, however." But, it adds, if it gets really tiresome you can always demand "*Chto vy na menya smotrite*" ("Why are you staring at me?") I promptly committed the phrase to heart.

Three weeks on, I feel let down. No one has thrown me so much as a casual glance, nor have I seen anyone staring at anyone else, even when they

have had good cause. When cars crash on an American freeway, the vehicles on the other side of the road grind to a halt as their occupants crane for a look, unembarrassed by their own ghoulishness. A similar collision on the streets of Moscow often will go almost unnoticed. The Russians do not go in for much "rubbernecking", as the Americans call it; they simply don't seem to be particularly voyeuristic.

The best example of this came one evening earlier this month, a few hundred yards from Red Square. The word had quickly spread that a gunman was holding a busload of South Korean tourists hostage on a bridge over the Moskva River, in the shadow of the Kremlin and only a stone's throw from the residence of Boris Yeltsin.

By any standards, it was a compelling drama – as the presence of a large crowd of television cameras and reporters

testified. The bus could have been blown up. The gunman, who was demanding \$10m (£6.3m) and an aeroplane, could have shot everyone. The scores of police surrounding the bus from Russia's commando-style Omon force could have stormed it (which they eventually did, in the early hours, killing the gunman and releasing all the hostages unharmed). Yet in the nearby Hotel Rossiya, a huge and very ugly hotel, life went on undisturbed, even though the building had a commanding view of the whole scene. Doormen carried on harassing anyone who walked in, a handful of people went on dancing rather drunkly in the restaurant (where a woman was asleep, her head on the table), a group of dancers continued stripping off in the disco (although even they only managed to attract a small number of onlookers).

Outside, even the television cameramen seemed fairly

placid; they don't swarm quite as much as their Western counterparts, who frequently descend en masse on passers-by without knowing whether they have anything to do with the story. "When a society has seen so much over the years – from Stalin's purges to the shelling of the parliament – it just doesn't have the same appetite for violence," a Russian colleague explained. "And people are tense; they want to stay out of trouble."

It works both ways. Russians also don't much like being watched – at least, not the ones I encountered at a night club on Tverskaya Street during an expedition to see how the wealthy "new Russians" spend their leisure time. Reassured by the advice in *The Russian Way*, I settled down to inspect a scene that could easily have been set in one of the Gulf states. Amid the gloom, under the dancing coloured lights and glass-tiled ceiling, sat a couple of glossy-looking men, fat cats sipping champagne.

A few yards away there were about a dozen heavily made-up

young women in micro-skirts, looking for prey. Hair was the henchmen – the large close-cropped men in bulging suits who out-gloomed any thug in a James Bond movie – that really caught the eye. They seemed to be everywhere, pacing the room, lurking in corners, hanging around around the metal detector at the door. In a society where a business executive is murdered every week, the bone-headed man is king.

They have a way, these heavies, of letting you know when they're fed up. One loud suddenly sat down and drank my beer. I retreated to the gent's to contemplate my next move (*The Russian Way* doesn't include "Why have you stolen my drink?"). On my return, I found another goon sitting in my chair. When I moved to a nearby table, a waitress arrived with the news that the table was "closed". Time to leave. Time, also, to learn another phrase. "*Chestva, ya ne vas ne smotryu*" – "I'm not staring at you, honestly."

PHIL REEVES



Uncomfortable scenes: A busload of South Koreans was hijacked in the shadow of the Kremlin, but most Moscovites could not have cared less. Photograph: Reuters

## Yeltsin foes enlist for battle of the hustings

PHIL REEVES  
Moscow

As President Boris Yeltsin yesterday strutted on a global stage alongside his American counterpart, his enemies back home were lining up to join the battle against him in December's parliamentary elections.

More than 40 groups – from the far left to the radical right, from women and patriots to beer-lovers and Muslims – had turned in signatures by Sunday's midnight deadline in the hope of qualifying to take part in the poll. The Central Electoral Commission will spend the next nine days ensuring the groups, which range from formal parties to loose electoral blocs, did not resort to fraud to gather the 200,000 required names.

The election to the 450-member State Duma, or lower house, will be a crucial test of public opinion in the run-up to June's presidential contest and will help determine who runs for the top job. But it is already abundantly clear that Russia's disenchanted voters will have a bewildering choice when they go to vote on 17 December.

There are fears that the number of parties will alienate and confuse the electorate, prompting them to choose candidates at random or because they sound familiar, or to decide not to vote at all. The head of the electoral commission, Nikolai Ryabov, has warned that having so many contesting parties (many of which are politically difficult to distinguish from one another) is more likely to make a mess of the election than to benefit Russian democracy.

Eight of the heavyweight contestants are already registered, including the popular General Alexander Lebed's Congress of Russian Communities, the ultra-nationalist Vladimir Zhirinovskiy's misnamed Liberal Democratic Party, and the pro-Yeltsin party set

up by the Prime Minister, Viktor Chernomyrdin, under the name Our Home is Russia. In all, the list is expected to comprise about 30 "parties", which will each have to win at least 5 per cent of the total vote to qualify for seats in parliament.

One party will be instantly recognisable. Russian opinion polls are unreliable, yet they consistently indicate that the Communist Party is in front. Unlike almost all the democratic blocs – from Yegor Gaidar's Russia's Choice to Yabloko – the Communists have not been weakened by any recent split in their ranks. Nor are they tainted by having taken part in government in the years since the break-up of the Soviet Union. They present a simple, familiar option for the many millions who have suffered from the country's economic reforms and hanker for the return of state protection.

The rise of the Communists' fortunes has been reflected in the behaviour of their leader, Gennady Zyuganov, who has been trying to convince the world he does not share the hard-line views of the Marxist-Leninists in his party's ranks. At a recent meeting of the American Chamber of Commerce in Moscow, he struck a moderate note, talking positively about foreign investment and good relations with the West.

His rising star has not gone unnoticed by Mr Yeltsin, who appears to be bracing himself to run for office next year despite his recent mild heart attack and his continuing unpopularity. Before leaving for New York, the President – whom the Communists have been unsuccessfully trying to impeach for months – demanded that Communist candidates should be barred if they seek to topple the government.

The Communists retorted by accusing him of meddling in the democratic process, and threatened to sue him.

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# Vote offers no relief for Canada's wound

Support is growing for the Quebec secessionists, writes Rupert Cornwell

Shawinigan, Quebec — Here perhaps, where Claude Rompré is marshalling his troops, the battle will be decided. Not in cosmopolitan Montreal, one of the great cities of North America, just 100 miles away to the south-west and half a world away in spirit — but here in what they call *le Québec profond*, in the drab, enclosed universe of the French-speaking provinces, on a rainy afternoon resembling nothing so much as a *banlieue* (suburb) of Lille or Liège, transplanted into the New World.

Only too visibly in Shawinigan, a culture and a way of life are besieged. Every other shop or office seems empty, a "local à louer" sign in its window. In 30 years, the town has lost 10,000 people, a third of its population, as the chemical, metal and textile companies have gone, and Shawinigan's young have largely followed.

Yet from this dismal landscape, Mr Rompré draws inspiration. Two years ago, running as a Quebec nationalist candidate in the general election, he was soundly defeated in this very constituency by Jean Chrétien, the Canadian Prime Minister. Today he is running the local separatist campaign for next Monday's sovereignty referendum — and suddenly he feels he's about to get his own back.

"Our support around here is up to 60 per cent," he says as he scrolls lists of registered voters at the Oulé headquarters, the blue Quebec flag decorated with white fleurs-de-lis fluttering outside. "Chrétien won in 1993 but that was because the Conservatives collapsed and non-nationalists were terrified we would have the balance of power in Ottawa. But that argument doesn't apply now. Besides, apocalyptic warnings about the economy don't scare people any more. Back in 1980 [at the last referendum on Quebec sovereignty] they warned us that if we voted Oulé, interest rates and unemployment would rise. So the Non won, and what happened? Interest rates and unemployment rose."

Not only in Shawinigan but across the province, something has changed in the last few days. The government keeps up a drumbeat of messages: "Make no mistake, this is about separation," federal ministers warn, claiming a million jobs might be at risk if Quebec cuts loose. A fortnight ago the strategy was working and the Non camp seemed headed for easy victory. No longer. Polls last week put the separatists slightly ahead, and the Canadian dollar plunged three-quarters of a cent as the financial markets shuddered at the unthinkable might happen, that Quebec might defy economic logic and vote to leave Canada. As Marcel Côté, a veteran political strategist and Montreal business consultant who has written a book explaining why victory for the separatists would be a calamity, notes dily: "That was not in the script."

But then Lucien Bouchard wasn't in the script either. Eleven months ago, the leader of the Quebec bloc in Ottawa lost his left leg — and almost his life — in a bout with the infamous "flesh eating" bacteria, and Jacques Parizeau, the nationalist prime minister elected in Quebec's provincial election last year, took charge of the referendum campaign. But as defeat loomed, the separatists turned to Bouchard to take over, and the effect was electrifying. To an existing warmth and charm, near-fatal illness lent a martyr's status. He appeals to both strands of nationalism: out and out separatists, and more cautious souls weighing patriotism against economic risk. "He's talking to the soft middle that the Oulé camp must get," says Mr Côté, "the people who want to be independent and yet stay in Canada. Lucien's saying, 'Go with me and I'll get you a hell of a deal'."

If that sounds confusing, it is.



Together and apart: Prime Minister Jean Chrétien (left) and Lucien Bouchard, one of the leaders of the Oulé camp

Canadian 'union' is a fraud. It was made not between free partners but between conquerors and conquered."

Increasingly exasperated, "Anglo" Canada begs to differ, pointing out the special privileges already enjoyed by Quebec, including the right to control immigration and an annual 11bn Canadian dollars (\$5.35bn) budget transfer from Ottawa. Enough is enough, argues Dr Harold Waller, professor of political science at McGill University in Montreal: "The intellectual baggage is out of date, they're fighting battles that are long over."

But the question which baffles most Canadians whose mother tongue is not French is another by any yardstick: Canada is one of the best countries in the world in which to live, so why on earth does Quebec want to leave? Mr Bouchard answers with an even simpler question, the one he asks the captured crowds at every campaign stop: "Est-ce qu'on va être un peuple?"

Behind the intensity lies a fear that this might be the last chance for Quebecers to become a people, before they are assimilated into the rest of Canada. Demographics are moving inexorably against them. In Montreal for example, home to almost half Quebec's 7.3 million population, the proportion of native French-speakers is 60 per cent and falling. As they leave the land for the big cities, the young are losing interest in the cause, while immigrants are overwhelmingly opposed.

Hence the the sense on both sides of the argument that it's now or never.

The newspapers are filled by learned columnists speculating over the implications of a Yes vote. Negotiations between Ottawa and Quebec first or a declaration of UDI by Messrs Parizeau and Bouchard? Will the federal government hold as firm as it now says it will, and as Anglo Canada wants it to be? It might be wondered too whether Mr Chrétien and the other Quebecers in the government, all from a province that has broken with Canada, can even stay in office. Will the Crees and Hurons and the other Indian nations which have been granted huge territories in the north break away from Quebec? And that is apart from the economic disentangling, the division of debt, the currency, and the North American Free Trade Agreement. The mess will be epic.

But even the Non, which most Quebecers still expect, is unlikely to resolve matters. Barring a massive defeat for the separatists, Canada's great sore, the equivalent of race in America, will continue to fester. So much was acknowledged by Mr Chrétien last week to Kim Young-Sam, the visiting South Korean President who knows a thing or two about divided countries. "We've been at this for 30 years, and when my grandson is Prime Minister of Canada, and your grandson is Prime Minister of South Korea, they'll still be on about it." Which is another way of saying that 31 October, the morning after, will just be the start of it.

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## Superstition eclipses astronomers' delight

TIM MCGIRK  
New Delhi

From Afghanistan to Borneo, millions will awaken today to find the sun blotted out in a total solar eclipse when the moon passes in front of the sun. A few will view the event as a rare astronomical wonder, while a significant number will avert their eyes, believing old superstitions that an eclipse heralds natural calamities and bad luck.

The belt of today's eclipse is less than 100 miles wide, but it will pass in a south-eastern direction over Afghanistan, Pakistan, northern India, Burma, Thailand, and Borneo, to astronomers' delight and the horror of millions. The science writer, Arthur C Clarke, told the *Indian Express*: "It is the most awe-inspiring experience imaginable. When it gets dark and the stars come out in the mid-

dle of the day, well, everyone becomes a primitive savage again, up against the gods."

While hundreds of scientists and amateur astronomers — including 88 from the UK — are setting up telescopes in desert and on hilltops along the path of the eclipse, many will stay in the indoors. Pregnant women will avoid knives for fear that their babies will be born scarred or without limbs; mothers will bind children's legs against snake attacks; and in Thailand and Cambodia, guns will be fired to drive off the hungry dragon devouring the sun.

The Munda tribesmen in Bihar have a different interpretation. When the sun darkens this morning, they will hurriedly pile their belongings and weapons in the courtyard. Long accustomed to suffering at the hands of police, feudal landlords and money-lenders, the tribes-

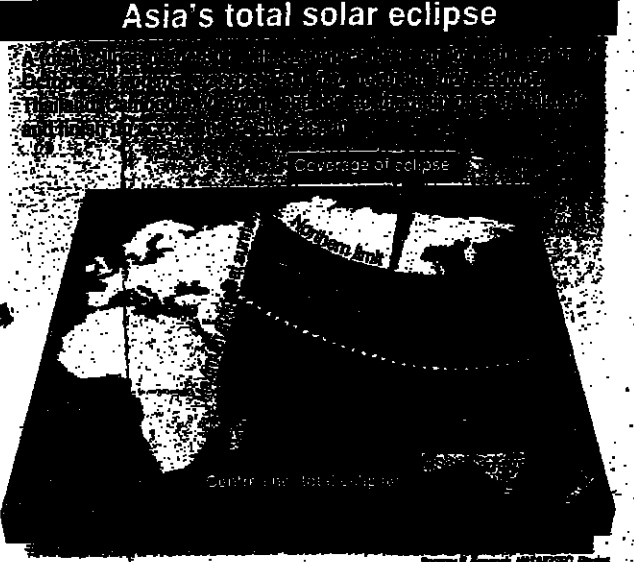
men believe the sun has been imprisoned by demons for not paying off its debts. The Munda believe that only they can set the sun free by offering their few possessions to the demons.

It is considered inauspicious by some that the sun is extinguished during Diwali, the Hindu festival of light, in which mountains of sweets are devoured and fireworks are blasted into the heavens. Hindu pundits are advising that all food must be eaten by the eclipse, so Indian families last night were heroically stuffing down every last syrupy sweet.

In the southern Indian state of Tamil Nadu, 700 miles outside the trajectory of the eclipse, the day is being declared a holiday in the belief that any work undertaken will unravel through bad luck. Throughout India, parents will keep their children home from school, buses will not run and no mail will be delivered.

Astrologers predict troubles ahead for the Indian Prime Minister, Narasimha Rao, sectarian strife during the run-up to general elections and more war and political turmoil in Sri Lanka, Pakistan, Bangladesh, and Afghanistan. Yet anybody reading the newspapers would probably produce similar gloomy forecasts. It is also a safe bet that somewhere in the region, a flood, a cyclone or an earthquake is bound to happen — because they invariably do.

Even still, Mr Rao is not taking any chances. Although he is attending the United Nations 50th anniversary bash in New York, the Indian press reported that he has ordered Hindu pundits to perform special rites on his behalf to ward off possible ill-effects from the eclipse.



## US unions seek leader who will turn the tide of decline

Washington — The AFL-CIO, flagship body of organised labour in the United States, yesterday began one of its most important conventions in its history, writes Rupert Cornwell. It will see its first-ever contested leadership election and — it devoutly hopes — the beginning of a revival in the fortunes of the battered union movement.

As the backstage deal-making continued last night, the challenger, John Sweeney, still seemed to have the edge in his attempt to unseat the incumbent, Thomas Donaghue, in tomorrow's ballot for the presidency, but not by the comfortable margin that once seemed assured.

By the latest reckoning, Mr Sweeney, head of the Service Employees International Union, has the support of 55 per cent of the 1,020 delegates to the

New York gathering, representing 78 unions. But Mr Donaghue had not given up, and his lieutenants were trying to persuade five small construction unions to change sides.

Winning the top AFL-CIO job will be the easy part for Mr Sweeney. Facing him thereafter is the perhaps impossible task of reversing a historic decline in the power of organised labour. Since its heyday in the 1950s, union membership here has dropped from 30 per cent of the work force to 15 per cent in the private sector; the figure is 11 per cent, and if nothing is done, some labour economists predict, by the turn of the century the proportion may have dropped to 7 per cent — more or less where it was in 1900.

Part of the trouble lies with Mr Donaghue's patron and predecessor, Lane Kirkland, a

remote figure far happier playing the international statesman of labour than mingling with the troops on the shop-floor. President since 1979, he was forced to resign last summer before he could seek a ninth consecutive two-year term, but not before handing-picking his deputy, Mr Donaghue, 67, as interim president until the convention.

Both candidates promise to beef up local union organisations, and to focus on the service industries, where the unions are weak and low-paying jobs especially common. Both say they want the unions to have a higher public profile.

But there is no guarantee this strategy will succeed. Heavy industry is in decline, and today's fastest expanding sectors, like electronics and communications, are less susceptible to organised labour.



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The key to improving the United Nations' performance is understanding the impossible nature of its job, says Tony Barber

# Life begins at 50: can the UN show how?

United Nations, heal thyself. Such is the virtually unanimous sentiment being expressed this week at the UN's New York headquarters, where more than 150 heads of government have arrived to commemorate the organisation's 50th birthday. From Washington to Lusaka and London to Wellington, there is a widespread sense that the UN is sick and that something more than the usual palliative is urgently needed.

Calling for reform is one thing; agreeing on the details is quite another. The United States, Britain and other wealthy Western countries tend to see the UN as an inefficient bureaucratic behemoth that encourages corruption and waste when it is not providing a forum for the spewing of anti-Western rhetoric. The West's message to the UN can be summed up as: "Do more useful things and charge us less."

For the smaller and poorer countries that make up the majority of the world's states, however, the UN's problems appear in a rather different light. Their biggest complaint is that the five permanent Security Council members - Britain, China, France, Russia and the US - use their elevated status to order the planet's affairs in their own interests. "The Security Council can no longer be maintained like the sanctuary of the holy of holies, with only the original members acting as high priests deciding on issues for the rest of the world," President Frederick Chiluba of Zambia told his fellow leaders on Sunday.

Does the answer lie, then, in a slammed-down, corruption-free UN equipped with the latest techniques of Western business management, or does it lie in adding Brazil, Nigeria, India, Indonesia and others to the Security Council? By general consent, reform is necessary across the whole spectrum of UN activities, from the council itself to various obscure agencies and programmes whose sell-by date has long since passed.

Prescribing a cure for the UN's ills is no simple matter, for it all depends on what the UN is or should be, and on that point the organisation's members state have never been and are never likely to be in complete agreement. The UN is not a world government, nor even a fire brigade zooming from



ciative policy that was really the fault of some of its most prominent member states. Decisive action in Bosnia required a partisan force in the shape of Nato, and it is a measure of the complexity of Balkan disputes that even Nato's intervention is not guaranteed to produce a stable regional peace.

In Rwanda, the failure to prevent one of this century's largest and cruellest slaughters has led the UN's critics to dismiss the organisation as sluggish and utterly ineffective in a crisis. As in former Yugoslavia, however, it was national governments, in Africa and abroad, that bore primary responsibility for failing to orchestrate an adequate response to the Rwandan genocide.

To improve its image, the UN badly needs the world to stop piling impossible duties and burdens of expectation upon it. The UN cannot end wars if the combatants want to fight on and if influential third parties lack the will for intervention. It is effective only insofar as national governments pursue clear policies and are not obstructing each other.

That said, the UN can do some things to put its house in order. It can clean out the stables of its rogue agencies, such as the World Health Organi-

sation and Unesco. It can cut budgets more drastically than so far attempted and eliminate obsolete agencies and programmes. Indeed, the UN will have to take these three steps if it wants to restore its relationship with the UN, which remains the chief financial contributor even though it owes more than \$800m in unpaid dues.

For all its sins, the UN remains the one organisation where governments and people from all around the globe can meet in the hope of lowering international tensions and reducing mutual suspicion. It offers mechanisms for overcoming conflicts which, if governments are in the right mood, can be made to work. In short, to paraphrase Winston Churchill on democracy, the UN may not be perfect, but nobody has yet invented anything better.

trouble spot to trouble spot to extinguish conflagrations. Yet it is clearly something more than the world's biggest talking shop or statistics-gathering agency.

The UN has no independent military forces and has seemed for years to be on the brink of bankruptcy, yet the world expects it to be a problem-solver. Hence it tends to attract the blame when humanitarian or peace-keeping operations conducted under UN auspices are inadequate, as recently in Somalia, Rwanda and Bosnia. Governments find it convenient to criticise the UN

as if it were a sovereign policy-making institution, when, in reality, the failures are of their own making.

The truth, understood perfectly well by every government but rarely acknowledged in public, is that the UN can take action only when its member states let it. Sometimes they want it to keep well out of the way. Often, when they do let the UN in, they restrict its mandate or fail to supply it with the necessary resources. At all times, the UN is nothing more or less than a mirror image of the positive and negative qual-

ities of national governments themselves.

The most dramatic illustration of the UN's limitations occurred in 1962, when John F. Kennedy and Nikita Khrushchev overcame the Cuban missile crisis - perhaps the most dangerous moment in human history - by direct negotiation rather than by turning to the UN. On the other hand, the US has twice found the UN a valuable means of mobilising international support for a war: in Korea in 1950-53, and again in Iraq in 1990-91. Few countries going to war make the mistake

these days of neglecting to prepare a case for presentation at the UN.

The perception of the UN as a cumbersome institution incapable of rising to the world's security challenges owes much to unrealistically high expectations that were placed on it after the end of the Cold War. In the era of US-Soviet confrontation, superpower rivalry frequently paralysed the UN, but by the end of the Eighties the decline in world tensions was permitting the UN to notch up successes in places as far-flung as the western Sahara,

Namibia, Afghanistan and Cambodia.

When George Bush skillfully used the UN to put together an international coalition to end Iraq's occupation of Kuwait in 1991, the UN's prestige stood at its highest point in the post-Communist age. Yet this prestige reflected a degree of international harmony and hope for a better world that was rapidly to diminish as murderous conflicts broke out in former Yugoslavia and Rwanda. The deployment of UN peace-keeping troops in former Yugoslavia encouraged public

opinion in the US, Europe and Islamic countries to believe that the UN could take effective steps to end the wars and protect the Bosnian Muslim population. In reality, the UN operation was fatally compromised by political disagreements among the leading Western powers, and between the West and Russia. In addition, national governments refused to give the UN the resources necessary to implement the Security Council's tough-sounding resolutions. As a result, the UN took much of the blame for an inde-

## Diary

VICKY WARD

The Irish Prime Minister, John Bruton, has resolved to change his country's national anthem, deeming the current song too militaristic for these optimistic days of the peace process. But the plan is generating an increasingly heated controversy - and some novel suggestions. Bertie Aherne, the Fianna Fail leader, has already nominated "A Nation Once Again". Now the nephew of the man who wrote the current anthem in 1907 has launched a campaign for his own preferred replacement. I fear, however, that his suggestion is likely to raise temperatures higher still.

Brian Behan, the playwright nephew of Peadar Kearney, who wrote the lines which begin: "Soldiers are we, who fought and died for Ireland..." has written to Mr Bruton suggesting that "Danny Boy", sung to the tune of the "Londonderry Air", should become Ireland's new national anthem. "It is perfect," he says - blithely forgetting that the very name of Londonderry is regarded these days as grossly politically incorrect by all but the most hardened loyalist - "because it unites elements of both the North and South."

He adds: "However, in return, I would stipulate that the Orangemen & Co stop singing the British national anthem."

To date, Mr Behan's "campaign" consists of a handful of radio broadcasts, and methinks somebody will stop him in his tracks before too long. The Ulster Unionist MP Clifford Forsythe was distinctly unmoved to hear of Mr Behan's efforts. "I like the tune of 'Danny Boy' very much," he says, "like I like Mozart very much. But my national anthem is 'God save the Queen'."



All together: 'Oh Danny Boy'...

I don't know what Mrs Bostridge, mother of Mark and Ian, ate when she was pregnant, or if she painted their baby bedrooms bright colours to stimulate their brain cells, but at the



parents got such a good deal, I asked them. "I don't know," said Ian, while Mark jested: "I'm sure Ian's talent has something to do with the fact that as an older brother I always took a great interest in him."



Those beautiful Bostridge boys

Incidentally, at the above launch, staff at the Imperial War Museum were in a great flap about what to put on Shirley Williams's name tag. Everyone else was easy (I, for instance, was plain Vicky Ward). But the title of Vera Brittain's daughter, Lady Williams, created something of a division among the ranks: no one could agree whether she would prefer to be titled or not. In the end she was asked to choose from two labels. She chose the untitled version, much to the jubilation of those who had pointed that way. "I knew it," one of them confided to me, grinning. "I just knew it."

I have decided to dub last week my "Brian Sedgmore week", because I kept on bumping into the tall, angular Labour MP for Hackney South. This is more, apparently, than the rest of the House of Commons managed, all 650 of whom noticeably failed to turn up to the Westminster launch of his satirical handbook, *The Insider's Guide to Parliament*, last Monday. "They were too frightened to be seen with me, especially the Labour lot in the run-up to the Shadow Cabinet elections," Sedgmore told me gleefully over dinner hosted by the

Folio Society at Lincoln's Inn, "because of the book's contents."

Only seconds earlier Susan Reeves, Sedgmore's assistant, had described the book to me as "perfect material for the toilet" - in view of which I feel our MPs must be a very cowardly bunch indeed.

One MP who is likely to be slightly annoyed with Sedgmore is Paddy Ashdown who, the book reveals, used to visit a dance hall in Exmouth on Saturday nights in his marine days. "He used to sneak in through the back entrance, like I also did," recalls Sedgmore, sighing nostalgically. "But he won't like me for revealing how politically incorrect he was in those days - he used to refer to those occasions as 'meat markets'."

**Making Nonsense of Modern Commercial Practices:** the case study of the BBC. The Beeb's internal mail goes out of its buildings before coming back in. Er, why? Because in June the internal mail system was contracted out to the Post Office. "It would be true to say," says a postroom employee, "that the new system is having a few problems." Really? "But it's not too bad. We reckon we are a next-day service." So technically, the service probably qualifies as first class.

All new magazines have teething problems, and I am glad to report that the worst complaint so far levelled against *Prospect*, the political monthly launched last month by the former *Financial Times* journalist David Goodhart, is that the crossword is not hard enough. "I have realised that I can do one-quarter of the clues without even going to a reference book," explains Goodhart, "and my general knowledge is not even very good. We are going to have to do something about it."

There is one advantage to having an easy crossword: readers fall asleep over it and do not enter Goodhart's postbag for this month contained only four correct solutions. But then, with clues like "Historic city founded by Kubla Khan in 1256 as his summer residence (6)", one is not really surprised....

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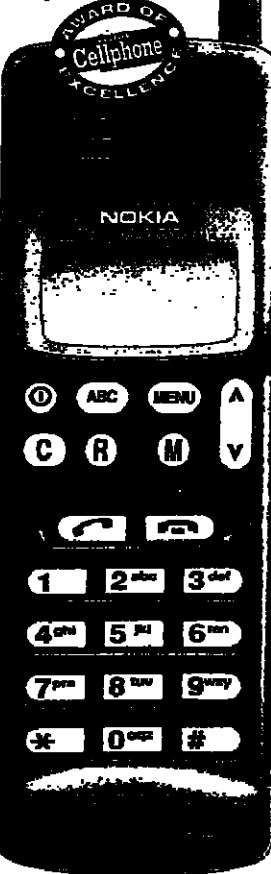
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## No charity for lottery winners

Let's hear it for the little lottery winners. Yesterday 627 projects and charities received a total of £40m in grants from the Charities Board of the National Lottery. The list of awards makes you proud to live in a country where so many are trying to do so much for so many, mostly without much help or encouragement from the public purse.

That will not prevent many of the recipients from being the subject of attack. The *Mail on Sunday* thinks money should not go to help Eritrean immigrants. The *Sunday Express* doesn't think drug abuse is a problem worthy of attack by lottery-funded charity. The *Sun* says, predictably, that charity begins at home. David Mellor, who should know better, joins in scripted howls about political correctness.

Most of the recipients on yesterday's list are small organisations that pick up cheques of less than £100,000. Malvern Special Families will receive £34,000 to employ qualified staff at its centre for children with special needs. The pensioners' club in Amlwch, Wales, will receive £2,000 to cover a new gas cooker and repainting.

It is beside the point to say that the list excludes the big medical research charities. In this particular spending round, the board had defined a category - poverty - in order to make the selection process more manageable. Even so, more than 15,000 applications have already been received. Medical research will be in line for lottery money next spring.

Meanwhile, it is perfectly proper that the poor, the object of Christian charity since biblical times, should be the focus of the first set of awards. The fact

that organisations helping single mothers and ethnic minorities figure prominently in the list is hardly surprising; these groups are over-represented among the poor. In fact, lone parents are probably under-represented in yesterday's list, taking just 4 per cent of the money. Refugee charities received 1 per cent.

It would clearly have been easier and less controversial if the board had directed its largesse to big national charities such as Age Concern or Mencap, each of which received around £225,000. These charities have a valid concern in arguing that a decline in their direct fund-raising may be attributable to the creation of the lottery. But it is also true that small, community-level groups are often more imaginative and achieve more striking results. These small players, unlike the big charities, do not have the resources to spend heavily on advertising or to attract celebrity sponsorship. Nor do they pay the people who run them corporate-world salaries.

This is not to argue that every award on the list is right. It is simply impossible to say we and others will judge the work of this board over time. Meanwhile the press is not likely to give it a quiet life, but that is as it should be. Unlike general taxation, over which most have no say at all beyond a vote at general elections, everyone can join in the argument about who receives lottery cash. The board should work hard at consulting widely, should welcome scrutiny of its decision-making processes and should measure public opinion about its awards. It should not, however, be deterred by windbags such as David Mellor.

## Germany's left out in the cold

Germany's Social Democratic Party, for much of the post-war period the most admired and imitated social-democratic party in Europe, now faces a credibility crisis of some proportion. After its wretched performance in Sunday's elections to the Berlin regional assembly, where it recorded its lowest share of the vote since the war, the SPD seems destined for the second division, retaining government in an ever narrowing circle of rust-belt regions. As Helmut Kohl rides high in the opinion polls in the 13th year of his reign, the Social Democrats are in disarray.

Not since 1959 has the mountain to be climbed seemed so high. Then, faced with the purgatory of permanent opposition, the SPD threw away its Marxist shackles in the famous Bad Godesberg declaration, opening the way to the respectable salons of national politics and, eventually, government. Now there is no obvious ideological baggage to discard.

In the past, the SPD has been hampered by its self-imposed role as conscience of the nation. Thus it has opposed the stationing of German troops abroad, even as part of a multinational peace-keeping force. That issue was resolved earlier this year in favour of those advocating a foreign role for the Bundeswehr. But the uneasy split in the SPD vote during the parliamentary debate has done much to lower the party's esteem among the electorate.

The voters may yet forgive the Social Democrats for that, but they are unlikely to forget their lack of vision in post-war Germany's greatest moment: unifica-

tion. Chancellor Helmut Kohl refused to be swayed by the arguments of the Bundesbank and the chattering classes, who thought instant union with the east was not feasible. The Social Democrats hesitated, produced figures to show the true cost of the enterprise and fought the 1990 elections on a gradualist ticket. They lost. Mr Kohl never tires of trumpeting his success and reminding Germans who it was who denigrated that achievement.

In the battle to oust the most popular chancellor since Konrad Adenauer, the SPD is also fighting the shifting arithmetic of the German electoral system. In the west it is caught between the immovable colossus of the Christian Democrats on the centre right, and the soaring Greens on the left. In the east the equation is even worse. There is a three-way competition on the left between the SPD, the Greens and the post-Communist Party of Democratic Socialism. Unlike in Britain, where the left's leading party takes all, the left-wing vote remains far ever fragmented in Germany's mixed electoral system.

There lies the SPD's dilemma. Even if it were to find a Blair-like figure to replace the lacklustre Rudolf Scharping, the Social Democrats would need to find an entirely new segment of voters to have any chance of government. Worse, its potential coalition allies, the Greens, are distancing themselves as far away from "yesterday's party" as they can. The tide may be turning in the left's favour in other parts of Western Europe, but there seems little prospect of the German Social Democrats joining that current.

ANOTHER VIEW Wayne Hemingway, Red or Dead

## Real message of fashion

Red or Dead has never sat on the fence and has always believed that high fashion should not be restricted to "ladies who lunch". It may come as a shock to some fashion editors but many people without big bank balances are interested in fashion. For many involved in the industry, fashion is pure narcissism but to an increasingly large socially aware generation, the clothes they wear portray their feelings and personality.

In Red or Dead's headline-grabbing catwalk show as part of London Fashion Week last Saturday, models carrying blood-stained household implements symbolised not the OJ trial but a post-apocalyptic view of a world inflicting violence on itself. It has been said that fashion and politics/social issues don't mix. Maybe they don't for the "narcissists" but they do for Red or Dead's customers in the same way that a social conscience and the music industry are linked - take the Clash or U2, for example.

Some of the crap that has been written about the so-called violence in the Red or Dead show has highlighted the gulf that exists between a free-thinking British youth culture and a right-wing fashion-editor clique which believes that good design equals clothes that sexually excite the "fat cat" husband.

While the tremendous amount of publicity we received will undoubtedly lead to large sales for the Red or Dead brand, it is a shame that the real message of the

collection has been missed. The press release accompanying the show opened like this: "It is some time ago in the new millennium, the French have made the mistake we all fear. They have gone further than just destroying some coral - they have annihilated the balance of the world and society as we know it."

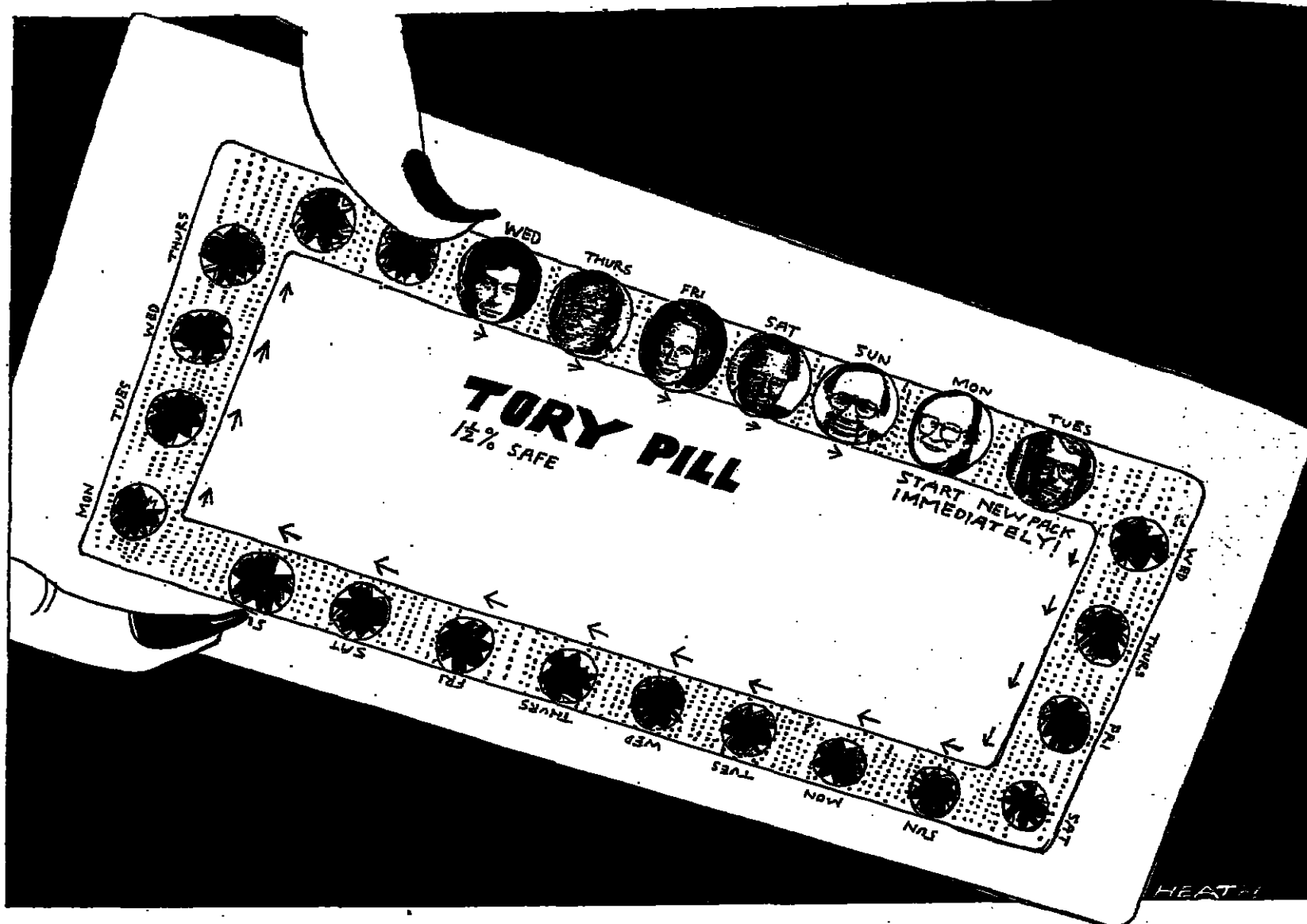
The section that received the "shock horror" headlines read like this: "With television - the drug of the nation - no longer available, the ignorance it has bred and the degradation it has fed has persuaded the housewife to be a psycho..."

Yet one of the reporters from the *People* told me she hadn't even attended the show. I had my first experience of a tabloid reporter who only wanted to know if Red or Dead were a group of satanists and a danger to society. They steadfastly refused to have the press releases faxed to them or to listen to our viewpoint.

Even worse was the *Daily Telegraph's* reporter, who said yesterday the violence "caused buyers to leave in droves" - what a load of utter rubbish!

If anything more is to come from the events of this weekend, let us hope it is the realisation that there are now more important things in life than a pretty cocktail frock. Fortunately, the younger generation already understands this.

The writer is head of design and co-founder of Red or Dead.



## LETTERS TO THE EDITOR

### Corporations rule the world

From Lord Desai

Sir: Bully for Andrew Marr (19 October). He is quite right not to be blown off the course of his reflections on state power by Martin Wolfe, or even the Treasury Chief Secretary - All Souls notwithstanding.

If we agree that it is economic power we are discussing and we define it as the power of a state (any state) to shape its macro-economic policy autonomously, then there has been a diminution of the power of the state. The key difference has been the mobility of capital - both portfolio capital and direct investment - since the late 1970s. Keynes knew perfectly well that capital mobility would wreck his scheme. This is why the Bretton Woods arrangements restricted capital movements.

Once capital can be mobile, governments can no longer pursue policies that alarm the markets. It is no good arguing with the markets that some sort of co-operative game will benefit everyone rather than selfish behaviour. Keynes relied on that, but bound the hands of capitalists and bondholders so that they were willing to accept the class compromise whereby full employment and high wages coexisted with a high and stable level of profits.

What broke this equilibrium was the erosion of profit rate when real wages started rising faster than productivity, and neither inflation nor incomes poli-

cies could act as a solvent. At the same time, technological progress in transport and communication had made it possible for factories to be relocated from the centre to the periphery.

The state remains powerful but not autonomous in macro-economic affairs. Rivaling the state in power is the global corporation. We have been used, for too long, to think of the world as being constituted by nation states; after all the economic statistics are arranged by countries. But it will be more useful, in my view, to think of the world as constituted by the 200 or so global corporations. Their internal trade becomes international trade; their treasurers' decisions to shift the petty cash - an odd billion dollars or so - can cause an exchange rate crisis. Their production decisions bind countries together in an international division of labour.

A Brave New World is being created out there. Not, as one hoped, by one-world idealists or UN diplomacy, but by the global corporations for the simplest of all reasons - profits. The state can either play along with them or have delusions of grandeur. The cost of delusions will be severe and will be paid not by politicians but by the citizens.

Yours sincerely,  
MEGHNA DESAI  
Professor of Economics  
London School of Economics  
London, WC2  
19 October

### Saving money on blood transfusion

From Dr Colin Entwistle

Sir: If John Adey, the chief executive of the National Blood Authority (Letters, 14 October), is not proposing to close any blood centres, why did the NBA choose Option D from the alternatives set out by the consultants Bain & Co who were asked to look at the service? Option D states that "five or six centres could be closed". In September 1994, Mr Adey wrote to all Blood Transfusion Centres (BTS) directors denying that "we plan to close more centres in addition to those published", with the obvious implication, Mr Adey also wrote to the workforce representative at Brentwood and discussed "the proposed closure of Brentwood".

The proposals for reorganising the service came from eight working groups composed of a total of 44 blood service managers chosen from the 15 centres. Among these 44 managers, none came from Liverpool, Plymouth, Oxford or Lancaster and only two (on the

"donors" committee) from Brentwood. By a curious coincidence the centres selected for downgrading amalgamation were Oxford, Liverpool, Plymouth, Brentwood and Lancaster; that selection being decided by a small inner strategy group only.

It is astonishing that Mr Adey now tries to argue that the aim of the proposals was not to save money. Mr Adey claims that "donors have always indicated that the sale abroad of any surplus is preferable to the alternative, which is burning". A substantial minority of the few donors asked do not wish their blood to be sold even under these circumstances. I believe that all donors should be informed, prior to donation, of potential sales arising from their freely given blood so they have a chance to opt out. Informed consent is the basis of our voluntary system.

Yours sincerely,  
COLIN ENTWISTLE  
Oxford  
17 October  
The writer is the recently retired medical director of the Oxford Blood Transfusion Centre.

### Czech facts

From Mr Jan Silva

Sir: In your article "Red card: the Czech Republic" (Sports section, 9 October), the statement that "The Czech team rejected the accommodation offered to them by their host" is torn out of context. The accommodation offered to the Czech team by the Belarusian team managers was sub-par, with cockroaches in rooms and absolutely inadequate food. No wonder then that the Czech team rejected it and insisted on bringing their own cook with them - Wales took their own cook to Moldova too.

Even more offensive was the wane-be-funny observation that "the Czech standard is nothing to write home about" and therefore it is highly inappropriate for Czechs to complain about Belarusian hotels.

I can only tell you that the Czech standard of living is in many ways much better than the British one and I've lived long enough in both countries to be able to judge. Yours sincerely,  
JAN SILVA  
Czech Section  
BBC World Service  
London, WC2  
14 October

### 'Good causes' and the lottery

From Dr Peter Ayton

Sir: Much of the continuing controversy in distributing the National Lottery proceeds ("Who gives a good cause a bad name?" 23 October) can be attributed to the original government conception that the lottery should raise money "for good causes". This is plainly a fig-leaves concept, as surely every government would claim that all the monies it raises, by whatever means, are for "good causes" - or is this a tacit admission that the Government habitually supports "bad causes"?

The concept is crucial because it justifies the efforts of the five unelected lottery boards to select projects for funding. However, in the ordinary course of events, many of the so-called "good causes" (eg the Royal Opera House, the Churchill papers) would be deemed not-good-enough causes for government spending - particularly one committed to privatisation and cutting public spending. Hence, although surely most would consider medical research a greater priority than Winston Churchill's need for reimbursement, millions have been spent on the latter and nil on the former. We even have an unelected Millennium Commission which, as much-needed teachers are made redundant, tries to find reasons to spend lottery millions on projects that, however worthy, somehow celebrate the millennium - as arbitrary a form of number

worship as governs peoples' choice of lottery numbers.

Associating lotteries with "good causes" psychologically mitigates gambling; it motivates people to buy tickets, and explains both why people apparently overestimate the benefits of charities and why direct donations to charities have fallen. The result of the lottery is that monies to many good causes are reduced and public spending priorities are distorted. Meanwhile, ministers boast about the amounts spent on "good causes" but simultaneously are coy about - and try to cut - the amounts spent via taxation. But this is to see taxes as losses and "good causes" as gains; the opposite view is more democratic.

If, as with other state lotteries, the proceeds were not segregated and (along with the 12 per cent lottery tax) went to central revenue controlled by elected and accountable ministers much of the controversy would be avoided - and an element of democratic control would be introduced. Presently, the irrationality of the market forces that motivate people to buy tickets is in danger of being matched by the irrationality of the attempts to dispose of the proceeds.

Yours sincerely,  
PETER AYTON  
Department of Psychology  
City University  
London, EC1  
23 October

### A useless thing to learn? Nein!

From Mr Max Wilcox

Sir: Hamish McRae thinks that "we teach our children things they will not need to know, like German (the Germans all speak English)" ("There's a bit of Sting in all of us", 19 October). Like any foreigners, certain Germans are capable of speaking English very well when it suits them but any expert salesman, or casual tourist, will tell you that many Germans speak no English at all, especially when they are in their own country and/or you are trying to sell them something.

As for the "need to know" aspect, I would have thought that of all the useless things our children are taught at school, the knowledge of a modern foreign, indeed European, language is not one of them. Many Second World War veterans would be with me on this. (Airy Neave would never have made it back from Colditz without a German-speaking Dutch officer to help him).

Holidays in any foreign country, are a lot more enjoyable when you can speak with the citizens of the country in their own language. Moreover, as all foreigners are inherently untrustworthy, and the Germans most of all, what better way to forestall their evil plans than to learn their language?

Yours sincerely,  
MAX WILCOX  
Brussels, Belgium

Letters should be addressed to Letters to the Editor, and include a daytime telephone number. (Fax: 0171-293 2054; e-mail: letters@independent.co.uk) Letters will be edited for length and clarity. We regret that we are unable to acknowledge unpublished letters.

### Singling out the loneliness factor

From Dr Roger Mortimore

Sir: In her reply (Section Two, 23 October) to Angela Lambert's article about young single people, Fran Abrams misrepresents our 1993 survey to which Ms Lambert referred. Respondents were asked which, if any, of a list of 19 things they disliked most about being single (my italics). (They were also asked what they liked most).

A total of 37 per cent chose loneliness as one of the aspects of being single they disliked most. This is not equivalent, as Ms Abrams seems to think, to saying that the remaining 63 per cent were not lonely at all; and it is equally untrue that "more than nine out of 10 had no worries about being 'unprotected'". Twice as many respondents chose loneliness as chose any other factor, and twice as many chose it as said they disliked nothing about being single.

Yours faithfully,  
ROGER MORTIMORE  
Mori  
London, SW1

### Chamois lather

From The Lord Hunt of Llanfair Waterdine

Sir: Allow me, as a sensitive mountaineer, to point out in his cartoon in yesterday's edition (19 October), Michael Heath has wrongly classified a chamois as a goat. It is, in fact, the only European antelope. Mr Heath might have chosen, in his illustration of goats and quasi-goats, the ibex instead.

Yours sincerely,  
JOHN HUNT  
Aston,  
Oxfordshire  
20 October

### Damage from West memoirs

From Mr Ted Jones

Sir: As members of a self-help group for adult survivors of childhood sexual abuse, we wish to protest at the arrangements made by the Official Solicitor for the sale of Frederick West's autobiography and the police tapes of interviews with witnesses (reports, 20 January).

We believe the Official Solicitor's action - like that of much of the press, the potential author and his publishers - effectively compounds the damage people such as ourselves have suffered. Treating sexual abuse as a commodity for sale to the highest bidder helps to create a social climate in which abuse is more likely. We call upon all those who possess such power to exercise sensitivity and restraint and not themselves to act abusively.

Yours sincerely,  
TED JONES  
Coocon  
Wallasey,  
Merseyside  
20 October  
The writer is using a pseudonym.

### Rates burden on village shops

From Mr F. E. Rogers

Sir: It is quite misleading to state, in your leading article "The dream of Gummerus" (18 October), that the Secretary of State for Environment, John Gummer, "proposes to assist small general stores and post offices with rates relief". Only an extremely small number qualify who can prove, in the face of extremely exacting criteria, that their closure would be detrimental to the local community.

The vast majority of village shops remain burdened by the vast increases in rates imposed by this government, particularly in the South, when the uniform business rate was introduced.

Yours faithfully,  
F. E. ROGERS  
Rogers of Tisbury  
Tisbury,  
Wiltshire  
18 October

### Literary 'Sirs'

From Mr Michael Scott

Sir: Silence is probably a better response, and certainly as Shakespeare made clear, there should be a "poor on opinions". However, I cannot help but protest at the media's current eulogies on the recent death of Kingsley Amis. I have no quarrel at all with the man, but to read him described as "one of the finest English writers of the 20th century" (report, 23 October) is extremely irritating. Since the novels of Conrad, Woolf, Lawrence, and Joyce in the early part of the century, there have not been any great novelists in English.

Of course there have been quite a few second-rate ones, and all eager to give us their opinions on the world about us, just as much as they have been equally eager to accept the public title of "Sir" - a title which for a writer usually signifies the end of any possible literary credibility. Yours faithfully,  
MICHAEL SCOTT  
Canterbury,  
Kent  
23 October



# comment

## Time for Blair to put on his bifocals

Labour must keep hold of its popular, moderate image, but start developing a tough, radical agenda, too

The best of times and the worst of times: after an embarrassing parliamentary reverse last week and yet another stratospherically high poll rating at the weekend, this seems a good moment to contemplate the paradoxes of Tony Blair's new Labour. Here is a party that is popular, strongly led and fresh-seeming, yet whose radical meaning, if it has one, is still unclear. It is a powerful force. That's obvious. But a force for what?

As far as a large number of voters are concerned, the answer is simply that Labour is the force that will expel the Conservatives from office. The 30-point lead given to Labour by NOP in the *Sunday Times* is incredible, literally in that it is hard to find a politician who believes Labour would be more than 10 points ahead in a real general election.

Yet however you unpack the figures, they are eloquent evidence of a country fed up to the back teeth with Torydom: 10 points would do the job. At the end of conference season, and despite John Major's rallying speech, it is hard to see the Conservatives clawing their way back. Devastatingly, Labour is now seen as the moderate party, safer than the Government.

The challenge for Blair is to keep those people with him, while developing a radical programme for government, with its internal timetable of legislation to be achieved after a year, two years, and so on. It is bifocal politics. Through the bottom lens, the "moderate" tag is an election-winner. But from a longer perspective, the party is bound to fail in government if it merely administers the present system. So it needs to plan reforms for years ahead.

Bifocal politics is a difficult game. It means thinking about two almost wholly separate situations, pre-election oppositionism and post-election government, at the same time. They require different language and different strategies. It must be like trying to play jazz piano while composing poetry.

Alongside his day-to-day campaigning, Blair has been quietly assembling private groups of advisers and freelance helpers to discuss the government programme - senior Whitehall-type people as well as the usual economic and business advisers. But his most significant move is one that will be little noticed by that buzzing world of bangers-on outside Westminster. It is the appointment of Donald Dewar as his Chief Whip.

Dewar is an unusual politician, fair-minded, pessimistic and fastidious. But he has one of the best minds in the Commons and will be an absolutely key figure in Blair's team, both now and (if they make it) in government. His appointment is inspired.

He joins the inner sanctum, the top five. It is no secret that the key men around Blair - Gordon Brown, Robin Cook, John Prescott, Jack Straw - are not consumed by the ardour of their mutual admiration. Dewar, though, is admired by all of them: his seriousness, his pessimism, his high-mindedness will be very useful to Blair in checking quarrels and avoiding short-term or short-cut thinking. No group of four or five gathered together with Donald Dewar is likely to come to arrogant or over-confident conclusions.



ANDREW MARR  
Columnist of the Year

**Labour will fail if it administers the present system: it needs to plan reforms**

Coincidentally, but fittingly, the need for him was demonstrated only last week by the failure of the attack on Michael Howard in the Commons. It showed that a certain style of Opposition politics has now run its course. I suspect we have reached the end of *LA Law* oppositionism, dependent upon cod-prosecutions of ministers with mounds of technical evidence, smoking faxes, leaked memos, subtly different texts compared at the dispatch box, and so on.

Labour has in the past done real damage this way. John Smith, Gordon Brown and Robin Cook were among the politicians whose forensic attacks made their reputations. It is the kind of thing newspapers love. Any journalist loves the hunt and most of us become priapic at the very mention of a leaked ministerial fax. But Labour

has moved on. It is now a proto-government, not the provisional wing of investigative journalism. What is at stake now isn't the odd ministerial scalp but the running of the country.

Now, Dewar has always hated personalised politics - indeed, he has been too fastidious. I will remember the journalistic frustration of trying to get a quote from him about a Tory MP who had attacked him in highly offensive terms when he was Shadow Scottish Secretary and being sternly reproved: "No, Andrew, I don't want to take unfair advantage of the poor man; I'm sure he didn't mean it."

In his recent job he has avoided personal attacks on Peter Lilley, the Social Security Secretary, who therefore moderated his own language; that debate has benefited as a result. As Labour's Chief Whip, with a new team, he has immense power over the party's tactics and I predict that we'll see, over the next few months, a change for the better.

So alongside the teams of people thinking about constitutional legislation, the remodelling of the No 10 machine, the priorities for social legislation and other matters, Dewar's arrival is another snippet of reassuring evidence that Blair won't make the Bill Clinton mistake - win brilliantly and then arrive in power utterly unprepared for the job.

There is, however, a downside. It is that those with radical enthusiasm for a Blair government are likely to be frustrated. This man is going to play it long. No one who intended a rush of better-skillet reforms, a torrent of change, would have appointed Dewar as his Chief Whip. Blair wants change

at a steady pace, while he keeps the support of Middle Britain and plans yet further ahead, for another term. He believes, rightly, that no economic changes worth having can be completed in just a few years.

This is long-termism with a vengeance, just what Harold Wilson never delivered. But there are drawbacks. Step-by-step caution makes it easier for a government to lose momentum and to be slowly hypnotised by the daily job of administration. Without an energetic big bang, an honest desire for reform can degenerate all too easily into consolidation; sensible "first things first" slides into dispiriting "safety first".

Consolidation is not what Britain needs. Pursuing the needed reforms to the centralised and ossified political system, breaking down the worrying concentrations of private power and diverting scarce public resources to education and employment would all be controversial. Serious enemies would arise, in the private sector and the public sector. Making Blair's "young country" would require steel, grit and a splash ofchutzpah.

Whether Labour is really ready for that visionary challenge, is the great imponderable of British politics, a matter of personal faith, not political science. But at least it is clear that the Tory charge in the Commons last week and in Blackpool the week before - that Labour is not fit to govern, and would plunge the country into chaos if it tried - is now absolutely the wrong way round. Labour is fit to rule, or at least as fit as the Conservatives. And the danger isn't chaos; it's tranquillity.

## Ode to a lumberjack

As part of the John Keats bicentenary celebrations, I am working on a new play about Keats which concentrates more on his work as a doctor and a pharmacist than his better-known career as a poet. It deals chiefly with the time he spent as an apprentice pharmacist in Edmonton, and throws much new light on the interplay between poetry and medicine in his work.

Here, for your delight, and for the interest of any theatre impresario who may be reading this, is an extract from the first act.

*The scene is a dispensary in far-off Edmonton. Young Dr Keats is working away at his mortar and pestle, while the elderly Dr Cruickshank grumpily oversees his progress. He is looking at some papers that Keats has incautiously left lying around.*

**Cruickshank:** Just a moment, laddie. Are these some notes you've made on your pharmaceutical work? If so, it must be a completely new kind of pharmacy, because I can't make head nor tail of them! **Keats:** Why, sir, what do they say?

**Cruickshank:** This one says, "Darkling I listen, and, for many a time I have been half in love with careful Death..." **Keats:** Gosh, sir, no, I am sorry, that's not pharmacy - those are some verses I have been working on.

**Cruickshank:** Verses? Verses? I cannot have you doing this kind of stuff in office hours, Keats. And if you must do it, I cannot say I approve of you being half in love with careful Death. It creates quite the wrong sort of impression to the patients.

**Keats:** How do you mean, sir? **Cruickshank:** How must they feel if they come in here, at death's door, looking for a bit of comfort and curing, and they find my apprentice moping around saying he feels like death himself? What are they going to think?

**Keats:** I don't actually think that, sir - it's just a poetic fancy. **Cruickshank:** I'll tell you what they're going to think. They're going to think: Yon Dr Keats is an old misery-guts - we'll awa' to the next pharmacy doon the road!

**Keats:** Yes, sir. Sorry, sir. **Cruickshank:** I'm away out on my rounds, now. Look after the shop till I'm back. Ye ken fine what to do with the patients. If they're ill, cure them or let them die. If there's nothing wrong with them, take the credit for their recovery.

**Keats:** Yes, sir. **Cruickshank:** Right. Back in a wee while. Tell Janet I'll have my lunch at one.

*Exit Dr Cruickshank in a blast of snow. After a moment, enter a tall cadaverous lumberjack.*

**Lumberjack:** Are you the doctor?

**Keats:** I'm Dr Keats. Dr Cruickshank is out. What seems to be the trouble?

**Lumberjack:** It's my heart, I think.

**Keats:** Good heavens. What's wrong with it?

**Lumberjack:** It aches. And there's a sort of numbness.

**Keats:** What sort of numbness?

**Lumberjack:** It's a sort of drowsy numbness.

**Keats:** That's wonderful! **Lumberjack:** What's wonderful about it?

**Keats:** Oh, nothing, nothing. But just let me get that down on paper. "My heart aches and a drowsy numbness..."

**Lumberjack:** My eyes are giving me trouble too.

**Keats:** In what way? Can you see all right?

**Lumberjack:** I can see straight ahead all right, but I cannot see what flowers are at my feet.

**Keats:** That may not be your eyes. That might be a stiff neck.



MILES KINGSTON

**Lumberjack:** I hadn't thought of that.

**Keats:** Anything else?

**Lumberjack:** I don't think so. **Keats:** You're complexion is as white as a sheet.

**Lumberjack:** I'm not surprised. Where's the cheek that does not fade, when too much gazed at?

**Keats:** You may be right. I'll make a note of that. But you must get very cold, being out in the woods so much. Doesn't that affect you at all?

**Lumberjack:** Well, we all get cold sometimes. Even the owl for all its feathers sometimes looks half perishing. But if you wrap up warm, and take a draught of something cheering, it's all right. It's solitary work, that's what I hate worst, all alone and pale and loitering....

**Keats:** Stop, stop! You're going too fast! I can't get all this down, and it's all such poetic stuff!

**Lumberjack:** Poetry? Are you accusing me of writing poetry? We don't take kindly to that sort of talk here in the backwoods of Canada, mister....

*A reader writes:* Hold on! Keats wasn't trained in Edmonton, Canada! He was trained in the Edmonton in north London!

*Miles Kingston writes:* I'm sorry. There has been a terrible mistake. All copies of this play are being withdrawn for rewriting. Do not attempt to stage it. It may be dangerous. Thank you.

Teen anguish based on opposition to adults has been replaced by a celebration of teenage emancipation

## Angst? Can you buy it at the mall?

*Clueless* is an American film about wealthy Beverly Hills teen culture. Hollywood is a British soap opera about slightly less wealthy Chester teen culture. Both appeared in the last few days and both will be, in their different ways, hits. Almost anything aimed with sufficient accuracy at teenagers is likely to be a paying proposition, they represent such an absurdly soft market for any material that shows some awareness of their intense tribalisms.

If only at the level of disposable income, fictional Chester and fictional Beverly Hills are worlds apart. The LA kids are dressed in Alaïa and Dior; those in Chester wear Next or lower. The cars in LA are showroom fresh; those in Chester carefully nursed old



BRYAN APPLEYARD

bangers. Beverly Hills life revolves around an education system that has become little more than a dating agency; in Chester, there is a shadowy work and college life to add a little convincing daytime depth to the pubs and discos. The one-parent figure in *Clueless* is a super-rich lawyer; the so far only parent in *Hollyoaks* seems to be some kind of club owner and is played by none other than the pre-cambrian rocker Alyn Stardust - he is, in other words, no more than a prototype for today's fully fledged teen.

But what, overwhelmingly, the two have in common is that they both start from the assumption that there is a discrete, autonomous realm that is teen culture. In *Hollyoaks*, Alvin apart, there is scarcely an adult to be seen who is not a policeman, an ambulance man or part of a dull, uninterestingly dressed and definitely unsexy crowd. In *Clueless* the social demands of teen society are accepted as absolute. For example, "the makeover" that transforms a dowdy new girl on the block into a fully integrated sex bomb is a profound rite of passage, an initiation into a way of life that is seen as the only alternative. Not to be in the right clothes, not to be dating the right boy, is to lack a viable identity.

What is extraordinary about these strangely weightless, floating worlds is how incredibly formalised and auton-



In *Clueless* every brat has a mobile phone and a car

Photograph: Elliot Marks/Paramount

omous they are. This teen culture is utterly different from that of 10 or 20 years ago. Then, being a teenager was about rebellion, about a struggle for recognition. The parents would always be in the background to stop you going to the party, to disapprove of your clothes. And, in a wider sense, society was always there to threaten you with the straitjacket of conformity. Being a teenager was an effort.

But now teen culture is seen as being at peace with itself. Of course you can go to the party, naturally your clothes matter. In part this is simply a function of affluence. In *Clueless* every brat has a mobile phone and a car, and even in humble Chester money is not an issue. Indeed, consumption is in the air these people breathe - both in Chester and LA the teens live the life of "mallrats", the kids who hang out in shopping malls, conducting their dating dramas against a background of

total material availability. Cost is no longer a limitation on going places and doing things.

But, more important, there is this newly acceptable glorification of the teenage years as the most supremely lived and felt phase of life. Teenage sex is no longer a preparation for anything, it is an end in itself. Equally, teenage crises are about self-definition as teenagers, not as pre-adults.

As a result, the connection of the teen world to any other has vanished. The old teen-angst mode was based on the assumption of opposition to an adult realm, and required a political and social agenda. Now there is only a celebration of teenage emancipation. The heroine of *Clueless* dismisses one excessively serious coeval because he is into the environment and "complaint rock" - music is about dancing, emphatically not about alienation or the hard rain that is a goin' to fall.

*Hollyoaks*, a largely moronic product, reveals the depressing side of this phenomenon. Phil Redmond, its fortyish creator, has divvied himself into the teenage years and bought the entire package without a trace of irony or real involvement. Each of his characters is what the Spanish sociologist Ortega y Gasset once identified as *Mass Man*. They arrive in the present unencumbered by history or awareness. They accept the cars, guitars and computers as simply there. As Ortega said of *Mass Man*, they cannot distinguish the artificial from the natural because they are unaware of the centuries of human effort required to produce the artefacts with which they are surrounded. They accept the present as they accept their teenage years, as autonomous, disconnected, simply available for consumption.

Redmond and his writers do not notice this because to do so might be to burst the teen bubble. They can establish no critical or comic distance from their world because they are so desperately afraid of alarming their target audience. Clearly, the one thing they cannot rely on from the British teenager is self-awareness, only the need for an endlessly idealising, approving mirror.

*Clueless* is in a different class. Where the soap is knowingly exploitative, the film is knowingly humane and very funny. The whole joke of the heroine's progress is that her hermetically sealed teen world does not work, it is constantly rubbing up against other worlds, other values. She is an idiot made sympathetic by the fact that we know her teen dream, her ritualised idiosyncrasy, must end.

And yet the weird, formalised fecundity of the teen world is still accepted for what it is. One supremely sophisticated joke involves an over-serious outside teenager attributing the words "To thine own self be true" to Hamlet. To general amazement Cher, the heroine, points out that the line belonged to Polonius - she knows because she saw the Mel Gibson movie. Redmond could never manage such a fine two-way joke because he does not understand - maybe does not want to understand - the deeper, stranger tension of disconnection and reconnection that is the real world of the teenager.

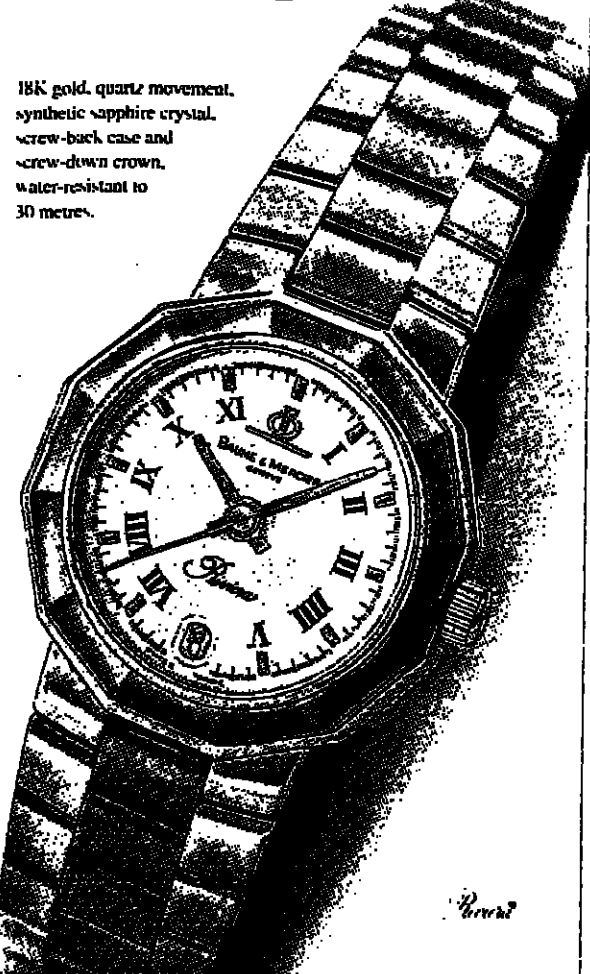
What the makers of *Clueless* know is that the very formality of the teenage world is what undermines its apparent autonomy. It is no accident that its plot is derived from Jane Austen's *Emma*, just as it is no accident that the current TV serialisation of *Pride and Prejudice* is proving hugely popular with teenage girls. Austen's ritualised and enclosed world has much in common with that of the contemporary teenager. Both require a strict system of controls to avoid the anarchy of mere impulse.

On the evidence of *Clueless*, Americans are still capable, despite everything, of believing this system leads onwards to some kind of maturity. On the evidence of *Hollyoaks* the British believe nothing at all except that the world is as it is and all that happens to teenagers is they lose their looks.

**The premise is that there is a discrete, autonomous realm that is teen culture**

**BAUME & MERCIER**  
GENEVE

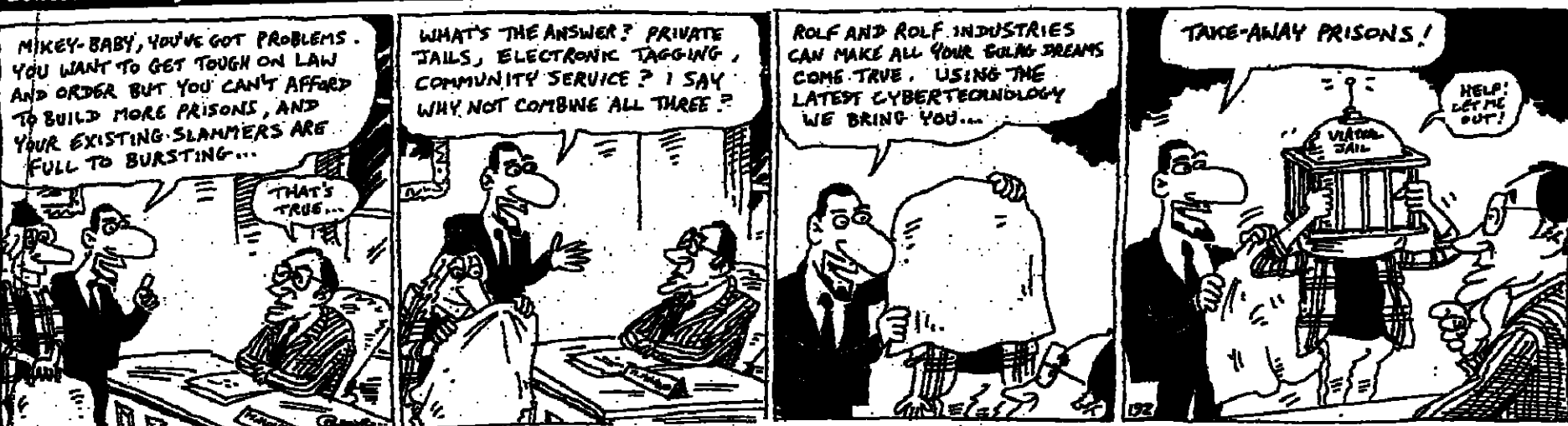
18K gold, quartz movement, synthetic sapphire crystal, screw-back case and screw-down crown, water-resistant to 30 metres.



Available from Watches of Switzerland, selected branches of Mappin & Webb and leading independent jewellers. For more information on your nearest stockist please call 0171 312 6800.

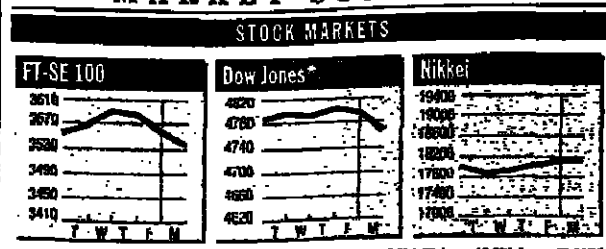
### Generation Why

by Tony Reeve and Steve Way





**MARKET SUMMARY**



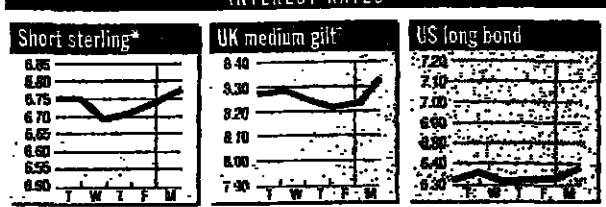
Index	Close	Day's change	Change (%)	12 Mth High	12 Mth Low	Yield (%)
FT-SE 100	3531.5	-19.9	-0.6	3693.0	2943.4	4.0
FT-SE 250	3912.5	-27.0	-0.7	3991.3	3300.9	3.5
FT-SE 350	1758.6	-10.4	-0.6	1785.3	1477.0	3.9
FT Small Cap	1958.4	-6.9	-0.4	1983.1	1678.5	3.3
FT All-Share	1737.8	-10.0	-0.6	1762.3	1465.2	3.5
New York	4755.5	-39.4	-0.8	4814.7	3974.6	2.4
Tokyo	18156.2	-1.1	-0.0	18989.6	14485.4	0.8
Hong Kong	9880.5	-14.7	-0.2	10032.9	6957.9	3.2
Frankfurt	2107.4	-33.1	-1.6	2317.0	1911.0	2.0
Paris	1727.1	-19.6	-1.1	2017.3	1721.8	3.9
Milan	8912.0	-165.0	-1.8	10911.0	6912.0	2.2

\*New issues at 1000 hours. New issues graph at 1430 hours

**MAIN PRICE CHANGES**

Rises	Falls
Glaxo Wellcome 849 52.5 6.6	Guardian Pyl Ex 233 10 4.1
Northern Foods 184 4 2.2	Scottish Power 356 15 4.0
Cookson Grp 294 5 1.7	General Accident 646 26 3.9
Airco Vickers 238 4 1.7	Morrison (WHM) 150 8 3.9
Zeneca 1195 20 1.7	Courtauld Text 417 15 3.5

**INTEREST RATES**



**Money Market Rates**

Index	1 Month	3 Month	6 Month	1 Year	Long Bond	(%)/Year
UK	6.64	6.68	6.13	6.85	8.30	8.52
US	5.75	5.76	6.03	7.79	6.35	7.98
Japan	0.34	0.56	2.94	4.61	3.58	5.98
Germany	4.06	4.00	6.50	7.50	7.15	7.89

\*Reuters' Index

**CURRENCIES**



**Pound**

Pound	Dollar		
	Yesterday	Change	Year Ago
\$ (London)	1.5810	+0.45	1.6280
\$ (New York)**	1.5792	+0.57	--
DM (London)	2.1658	-1.90pt	2.4345
DM (New York)	157.55	-10.10	157.91
£ Index	83.5	-0.1	88.2

**Dollar**

OTHER INDICATORS								
	Yesterday	Day's chg.	Year Ago		Index	Latest	Yr Ago	Next Figs
Oil Brent \$	15.94	+\$0.06	16.44	RPI	150.6	3.9pc	2.4	—
Gold \$	381.75	+\$1.00	390.70	GDP	108.6	2.4pc	4.1	20 Nov
Gold £	242.15	-0.06	239.99	Base Rates	—	6.75pc	5.25	—

**OTHER INDICATORS**

Yesterday	Day's change	Year Ago
Oil Brent \$	15.94	+80.06
Gold \$	381.75	+81.00
Gold £	242.15	-0.06

Source: Datastream

**IN BRIEF**

**US banks in \$22bn merger talks**

Shares in BankAmerica and NationsBank rose sharply yesterday on reports that the two are in \$22bn merger talks to create America's largest bank, with combined assets of \$410bn. Neither bank would comment last night. The US financial magazine *Forbes* said a NationsBank board member, speaking under condition of anonymity, said the bank has had talks with several other groups, but "BankAmerica is by far the better choice."

**Further talks over Scholl**

Advisers to Scholl, the footwear company, were in further talks last night in an attempt to secure a peace deal with dissident shareholders ahead of today's extraordinary meeting. The dissidents, who claim substantial shareholder support, want three board members deposed and the board to consider offers.

**Halifax boosts interest on old accounts**

The Halifax building society, yesterday announced it is finally to boost the interest paid to holders of about 2.5 million obsolete accounts. The society's decision deals a virtual death blow to the previously common practice of paying less interest on many old accounts, estimated to have cost savers up to £800m a year. Savers with £500 in a typical 28-Day Xtra Account will receive an additional 1.4 per cent gross interest, equivalent to £7 a year.

**Open skies talks broken off**

The US has broken off talks with the UK on liberalising air services between the two countries. The longstanding talks were thought to have been making progress. Sir George Young, the Transport Secretary expressed disappointment.

**Thorn clears the decks**

Thorn EMI, the leisure to retailing giant that is expected to announce demerger plans early next year, yesterday raised £95.6m through the sale of its 2.8 per cent shareholding in SGS-Thomson Microelectronics. Thorn took a 10 per cent interest in the company when it sold its Innos, the microchip company, in March 1989. Analysts saw the sale as a further sign Thorn is clearing its decks before announcing the details of its demerger.

**Dobson rejects fresh offer**

Dobson Park, the mining equipment company, rejected an increased offer from hostile US bidder Harnischfeger, which raised its offer from 110p per share to 125p plus a commitment to retain the forecast 3.3p dividend. Dobson said the offer still undervalued the group. The shares closed 1p down at 124p.

**Bentalls in land discussions**

Bentalls, the stores group, said it is in discussions with John Lewis Partnership and Bristol City Council over the possible acquisition of a building in Broadmead, Bristol which currently comprises a John Lewis department store.

**Country showdown**

Country Casuals, the womens' clothing retailer, will post its defence against a £26.8m bid from its former chairman and chief executive, John Shannon, on Thursday. The company is expected to argue its shares should be valued at a premium to the 140p a share being offered by Mr Shannon. Retailer, page 22

**Zantac settlement: US court case that could have cost drugs giant £400m a year called off at last minute**

# Patent deal sends Glaxo soaring

**TOM STEVENSON**  
Deputy City Editor

An eleventh-hour deal between Glaxo Wellcome and the rival drug manufacturer Genpharm of Canada has put a stop to a Baltimore court case that could have cost the UK drugs giant up to £400m a year in lost profits. The out-of-court settlement yesterday confirmed the validity of the patents that protect Zantac, the world's largest selling prescription drug, lifting a cloud that had hung over Glaxo for several years.

Investors celebrated the landmark settlement, pushing Glaxo's shares 52.5p higher to 849p, its highest for three years. The surge in the shares of what is now Britain's biggest company is estimated to have added 10 points to the closing value of the FT-SE 100, limiting the fall in the leading companies' index yesterday to 19.9 points.

The deal, which means two separate patents protecting the ulcer treatment are safe until 1997 and 2002 respectively, was the latest good news for the pharmaceutical sector, which has already enjoyed its strongest year since 1991. Glaxo opted for an out-of-court agreement to avoid the risks involved in a highly technical case being decided by a jury of non-experts.

Sir Richard Sykes, deputy chairman and chief executive of Glaxo, said: "Our belief in the validity of our patents on Zan-

tac remains firm. Glaxo Wellcome's policy of vigorously defending our intellectual property remains unchanged."

Genpharm, which wants to make a cheaper, generic form of Zantac, challenged the validity of the two patents in 1993. Glaxo claimed the differences between the two forms are substantial enough to require two patents. Genpharm contended the differences did

not justify separate patents in a claim that would have allowed it to begin its own production. Zantac's sales in the US, one of three markets where the patent was under threat, amounted to about £1.1bn last year and loss of its protection could have hit profits by as much as £400m in a full year, analysts said. That compares with profit forecasts of about £3bn next year.

The terms of the settlement

mean Glaxo Wellcome will pay Genpharm an undisclosed sum, spread over a three-year period. The company described the payment as not material to the group as a whole, but analysts thought the fact that the settlement was phased over a long period indicated a substantial sum. Glaxo has also agreed to sell specified quantities of ranitidine hydrochloride, Zantac's active ingredient, to E Merck, Gen-

pharm's parent, between 1997 and 1999.

The settlement came on the day that the patent dispute was due to start trial in the US. Other litigation in Canada and the UK will also be discontinued as a result of the agreement. Analysts agreed that Glaxo would probably have won the case but welcomed the elimination of the risks of a jury trial. Earlier this year, the Form

One version of Zantac's patent expired in Germany, triggering a price war. The prospect of a similar battle emerging in the much more important US market has been a prime driver of Glaxo's share price in recent years. Traditionally the lifting of patent protection for prescription drugs cuts their sales by between half and three-quarters within a year.

Market Report, page 23

## Asda faces legal threat over medicine discounts

**NIGEL COPE**

Three big healthcare and pharmaceutical groups have threatened Asda with legal action preventing the supermarket group from selling over-the-counter medicines at reduced prices. The move follows Asda's decision last week to cut the prices of selected vitamins and minerals by up to 20 per cent.

The warning came as Tesco threatened to shake up the newspaper and magazine distribution industry and spark a price war. It claims the system controlling the supply of newspapers and periodicals is restrictive and outdated. Asda is also considering mounting a challenge.

The three companies that

have threatened to serve injunctions on Asda are Procter & Gamble, Warner Wellcome and Reckitt & Colman, whose brands include Lemsip. Asda is not currently discounting any of their products, the action is seen as an attempt to prevent any extension of the price-cutting.

Asda said: "We will vigorously defend these injunctions. We never suggested any further price cuts but we are opposed to resale price maintenance. Our discounts have proved popular with our customers."

Asda said it welcomed the announcement from the Office of Fair Trading last week that it was reviewing the system allowing pharmaceutical manufacturers to set the prices of their products.

Asda shares rose 0.5p to 97p. However, shares in Sainsbury fell 2p to a 10-month low of 408p on price-war concerns and City fears that it is still losing market share to Tesco.

Tesco said yesterday it was prepared to set up its own distribution network for newspapers and magazines if it could not agree changes with wholesale suppliers such as WH Smith and John Menzies. The company claims the current system is structured for the benefit of small, local newsagents rather than volume suppliers.

WH Smith shares slumped 12p to 375p on fears that a challenge from the supermarkets would wipe out a significant proportion of its profits.



Defending 'intellectual property': Sir Richard Sykes

**Currencies: Political troubles in France and Italy spread turbulence through foreign exchange, bonds and equities**

## Sterling and dollar plunge in market turmoil

**PAUL WALLACE**  
Economics Editor

The markets were thrown into turmoil yesterday, with investors rushing to the safe haven of the German mark amid political fears in France and Italy. Both sterling and the dollar plunged close to all-time lows against the currency. The renewed currency turbulence spilled over into European bond and equity markets, with German shares suffering particularly on fears of the impact of a strong mark on big exporting companies.

The pound closed in London at DM2.1857, two pence down on the day and only a

penny above its all-time low of DM2.1768 in early May. The dollar closed at DM1.3823, two pence above its low of DM1.3620 in the spring. It also fell to just under ¥100.

"We're back in a situation in which weakness in one European currency is spilling over to affect another," said Steve Barrow, currency analyst at Chemical Bank.

The French franc hit a five-month low, losing more than a centime, to close in London at DM3.532. It too was affected by signs of political weakness, centred on a request for the state prosecutor to investigate President Jacques Chirac over a flat he rented at cheap rates.

The main loser of the day, however, was the Italian lira, which weakened 2 per cent from L1.145 against the mark on Friday evening to L1.170 at the close of London trading.

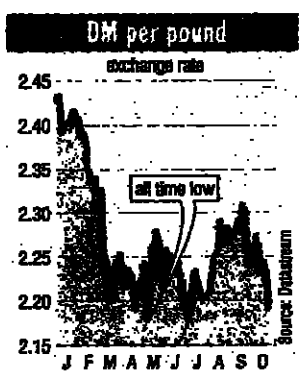
The lira came under pressure amid worries about a no-confidence vote on Thursday that could pull down the technocrat administration of Lamberto Dini. Even if the former central bank governor survives, the fear is that he will have difficulties getting the 1996 budget through parliament.

The attempt to oust Mr Dini,



Down on their luck: Traders on Milan's stock exchange yesterday as continuing political uncertainty and the weakness of other financial markets pushed Italy's already depressed stock further downwards

Photograph: Luca Bruno/AP



J F M A M J J A S O

led by the former prime minister, Silvio Berlusconi, was given further impetus when the Communist Refoundation party, which has 24 deputies, said it would vote against him.

Shares were marked down

sharply, with the Mibtel index falling 165 points to 8,912, a drop of almost 2 per cent. Few escaped. Fiat fell L124 to 4,965, Gemina L30 to L601 and Pirelli L66 to L1,970.

But the fall in Italian equities

was outstripped by the decline in the German stock market. The Dax index of 30 stocks fell almost 3 per cent, with Volkswagen tumbling 3.5 per cent and BMW by 3.4 per cent.

Stock markets also fell

sharply in France, the Netherlands and Sweden. The FT-SE 100-share index escaped relatively lightly, falling 19.9 points to 3,531.5. Gilt was down half a point, with the shorter end worst-affected.

## ITC extends Channel 5 delay

**MATHEW HORSMAN**

Companies bidding for the right to operate Channel 5 were on tenterhooks last night as the Independent Television Commission continued to indicate that no final decision had been taken on the ultimate winner.

The delay has frustrated the leading lights of the British television business, most of whom are involved in the high-stakes bidding. Speculation in an already rumour-mad industry is now reaching fever pitch, as the ITC's silence is read like so many tea leaves swirling in the bottom of a cup.

A meeting last Thursday of the full ITC board, scheduled to wind up by mid-afternoon, continued until the close of the business day before breaking up inconclusively. ITC officials met again yesterday, and industry observers speculated that the commission may be taking legal advice about the final award.

The ITC refused to be drawn on the reasons for the failure to reach a decision. A spokesman said the final award could come as late as next month.

UKTV, a consortium led by CanWest, the Canadian broadcaster, bid £36m for the 10-year

licence, topping the field, and would normally be expected to win.

But the group has had trouble convincing the ITC about its ownership structure, which is heavily dominated by non-European interests.

"Any delay is bound to worry the front-runner and will be welcome news to the rest of us," a source at a competing consortium said.

It is confusing matters in an already confusing race, one of the UKTV partners, SelectTV, confirmed earlier this month that it was in discussions that might lead to its sale to an unnamed

bidding. It is believed that the ITC has been briefed on the issue by at least one would-be buyer, the media and information company Pearson, which insisted it would not be interested in buying SelectTV merely to gain entry into a potentially winning bid for Channel 5.

Pearson leads another consortium, Channel 5 Broadcasting, which bid £2,002,000 for the 10-year licence, at level-pegging with an offer from Virgin TV, comprising Richard Branson's Virgin Group, Associated Newspapers, ITV company HTV and others.

Comment, page 21

## Bank considers US Direct Line

**NIC CICUTTI**

Royal Bank of Scotland is investigating setting up a telephone-based insurance venture in the United States, similar to its successful UK operation, Direct Line, it said yesterday.

But the venture could be thrown into jeopardy by the departure of Peter Wood, chief executive at Direct Line, if RBS agrees to a takeover bid from one of its suitors.

Mr Wood has threatened to build a rival telephone-based insurer in Britain if RBS does agree to be taken over - hitting one of the bank's most profitable operations. In the six months to the end of March this year it delivered profits of £45m.

RBS refused yesterday to deny that it was planning to merge with or be taken over by another bank, saying that it was not prepared to comment on market rumours.

However, fears of Mr Wood's possible break with the bank knocked 5p off the RBS share price of 52p.

the US venture would be critical in that he would be spearheading the move, with Royal Bank of Scotland having a share of any profits from the new enterprise in return for its own participation.

Direct Line is now the UK's largest insurer, providing cover to some 2 million motorists and a growing number of home insurance policyholders. The company has also branched out into loans, mortgages and life insurance products.

One RBS source yesterday played down suggestions that if Mr Wood were to launch a rival operation it would be through Privilege Insurance, the company set up by him last year to target the 6 million non-standard motorists who cannot obtain cover through Direct Line.

"Privilege has been a phenomenal success and we have an interest in it, too. But let's face it, it has 50,000-odd customers compared to Direct Line's 2 million. You don't get volume in the direct market so easily or quickly any longer," the spokesman added.

Ministry of...

Buyout offer  
Lloyd's L...

City fear  
would rain

Economy



# Time to pension off Treasury panel of wisdom



COMMENT

'Seven economists, some notorious for strongly personal views, would be bound to produce at least 10 opinions covering the gamut of economic forecasts. Whatever the mandarins said would be bound to fall somewhere within that range'

Between now and the spring the Chancellor is supposed to choose four new wise men or women to fill the vacancies in the Treasury's panel of independent economists. The candidates will be lingering hopefully by their telephones, waiting for the summons. Mr Clarke should brace himself to disappoint them all. The time has come to abolish the panel of outside experts, whose twice-yearly meetings, far from being an exercise in open government, have become a cosmetic exercise we could do without.

The panel was, in fact, a wheeze dreamt up by Norman Lamont to cover his and the Treasury's embarrassment at getting forecasts of the economy so badly wrong. It is easy to understand why Mr Lamont felt two and a half years ago that something needed to be done. In the Treasury entrance lobby in Whitehall visitors can see, proudly displayed in a glass-fronted cabinet, an award for the best economic forecast. The date is 1986, a vintage year for the in-house team, which has not been repeated since.

It looked likely from the start that the Treasury would exploit the wise men for its own ends rather than use them to provide real help in setting policy. Seven economists, some of them notorious for their strongly personal views, would be bound to produce at least 10 opinions, covering the whole gamut of economic forecasts. Whatever the mandarins said would be bound to fall somewhere within that range.

So, indeed, it has proved for the past three

years. The Treasury chaps regularly produce a forecast near the consensus, partly because they are moderate people, partly because if they do not they will be accused of political bias, massaging inflation or growth projections to suit their masters. A cautious consensus forecast is something they can manage to provide for the Chancellor without the window dressing of the independent panel.

If Mr Clarke believes that independent opinions really do help keep him better informed, he should opt for a radical alternative. That would be to contract-out economic forecasting. There is a choice of several well-respected forecasting groups, many staffed by former Treasury economists. It would be cheaper than having to pay the overheads for a full team of official economists, and could help with the department's programme of staff cuts. The Treasury only needs economists to work on policy matters, not the nuts and bolts of number crunching.

## More muscle-flexing by the grocery giants

One by one the handful of cosy cartels that survived into the era of free-market competition are coming under assault from the supermarkets. We have had the battle of the books, followed by Asda's challenge to non-prescription medicines. Now Tesco is having a tilt at the distribution of newspapers and magazines. Add to this a supermarket-

inspired petrol price war, as well as the shake-up in the milk supply market, and it is clear that Britain's grocery giants are ready to take a pop at anything that smacks of resale price maintenance or restrictive practice.

There is no mystery about why the likes of Sainsbury and Tesco are flexing their muscles. With their expansion plans cramped by government restrictions on out-of-town development, they are looking for new ways to expand. They now have strong enough brands and efficient enough distribution systems to move beyond a rapidly maturing food market. With bank balances bulging with the cash once earmarked for new store openings, they have the clout to cut prices and win the reductions back in higher sales.

For the most part, consumers should be cheering. With magazines, for example, it is hard to defend a system that limits supermarkets' ability to cut prices or carry as much stock as they would like. Should we really be supporting the price of *Woman's Own* to protect the local corner shop? Britain hardly has a shortage of newspapers.

The possible exception is non-prescription drugs. It is not easy, in principle, to justify forcing customers to pay a premium for these as a hidden subsidy to prescription drug outlets. But the government policy of pushing more drugs off prescription makes it important that there continues to be a large number of high street pharmacies, rather than a long drive to Asda for Lemsip. This is an area where political sensitivities

could set a limit to the ambitions of the supermarkets.

Indeed, the biggest cloud on their horizon is the potential for intervention if they over-reach themselves in any area affecting small business. The government brake on superstore development to protect the high street led to the supermarkets' aggressive behaviour in the first place. While competition policy is currently more sympathetic to the needs of big, efficient companies than embattled little ones, the power of the small business lobby should not be underestimated as the election approaches.

It is too soon to rule out government action, possibly through a monopolies referral, if the supermarkets push too hard. Still more likely, though it would be wrong-headed, is a backlash from a Labour government. Perhaps the supermarkets are launching their offensives now to grab new markets while they can.

## TV auctions unequal to digital free-for-all

The ragged end-game now being played out by the Independent Television Commission and bidders for Channel 5 is surely final proof that the auction process laid out under the Broadcasting Act is an utter nonsense. Pitched awkwardly between "market forces" and an archly old-fashioned view of regulating television as a "public service",

the Act calls for the award of the Channel 5 and the Channel 3 licences to the highest bidder. But this is subject to complex rules and regulations on programming, ownership and technical questions.

That hybrid approach throws up ridiculous ranges of bidding: in the case of Channel 5, from £2m to a princely £36m a year. At the same time, the complexity of rules, and the degree to which the ITC can make its own judgments about programme quality, leave the whole process open to question. Worse, it encourages sneaky bids (fanciful ownership structure, wild promises of public-spiritedness that won't survive).

British television is being opened up to real competition. Soon, digital TV will add another 20 or so terrestrial channels to the menu. The cosy approach that worked wonders in the age of the duopoly (BBC, ITV) is unequal to the free-for-all of the digital age. The Government needs to rethink how it auctions off "scarce capacity" such as terrestrial frequencies. Why not set a minimum figure for the auction, making it impossible for low-ball bids to triumph; publish all application material from bidders and make rules on ownership and content far more transparent, and unbreakable.

Most important, perhaps, is to change the culture at the ITC, injecting more creativity and global thinking. Bureaucrats armed with dusty rule books are not the people to foment competitive, high-quality television.

Economy: Observers warn pound may be undermined by a consumer-friendly Budget though Government says third-quarter expansion slowed to 'sustainable' level

# City fears Clarke tax cuts would raise mortgage rates

DIANE COYLE  
Economics Correspondent

Economists yesterday voiced concern that expected tax cuts in the Budget on 28 November could jeopardise reductions in government borrowing. Even though most expect the Chancellor to press ahead with tax reductions that will benefit consumers, few think there is a good economic case.

Kate Barker, chief economist at the Confederation of British Industry, accepted that growth had turned out to be slower than expected earlier this year. But she said: "We hope for a tight Budget that will leave scope for a cut in interest rates."

Ms Barker added: "The Chancellor may be able to produce tax cuts that will put some money in consumers' pockets within a tight budget, but by in-

creasing the costs on business."

Andrew Sentance, who is in charge of economic forecasting at the London Business School, said the Chancellor faced a dilemma. Consumers had been hit by last year's tax increases and there was a case for easing that burden. "But he is constrained by the fact that government borrowing has turned out so much higher than expected," said Mr Sentance.

So far this financial year the public sector's cumulative borrowing requirement has reached £20.4bn, £300m more than at the same stage last financial year. The Chancellor would need to find about £2bn a month from now until March in order to meet this year's target of £23.6bn. City economists expect the PSBR to be around £30bn instead.

Stephen Lewis, director of re-

search at the London Bond Broking Company and the dreyer of City of London economists, said: "A cautious Chancellor would do very little in this Budget." He said high tax cuts would undermine sentiment in the markets and put the pound under even more pressure. "The price of tax cuts could be higher mortgage rates."

Steven Bell, head of research at Deutsche Morgan Grenfell, said: "For choice, I would leave fiscal policy unchanged." But he said that £4-5bn in personal tax cuts would not have much impact on the economy. "We're going to get a budget focused on the voter, and that means the consumer," he said.

One City economist who accepts that there is some need for tax cuts, however, is Roger Bootle of HSBC Markets. "There is a significant danger

of a serious slowdown in the economy without a policy stimulation," he said yesterday. He would prefer that to come from lower interest rates, as the balance of economic growth needed to be directed towards investment rather than consumer spending. But Mr Bootle said there was a political imperative for tax cuts.

Professor Richard Layard of the London School of Economics argued that the top two priorities should be a scheme to get people out of long-term unemployment and an expansion of education. "If we are to have a vibrant economy we must have more investment in people," he said. His measures would involve extra public spending rather than tax cuts, although savings on benefit payments to the unemployed would offset some spending.



Counting the cost: City economists (clockwise from left) Roger Bootle, Steven Bell, Stephen Lewis, and Kate Barker disagree on the likely effects of tax cuts

# GDP growth falls to lowest for two years

PAUL WALLACE  
Economics Editor

The economy expanded by half a per cent in the third quarter, according to the Government's preliminary estimate of GDP. This brought the annual rate of growth down to 2.4 per cent, around the long-term trend but the lowest for over two years.

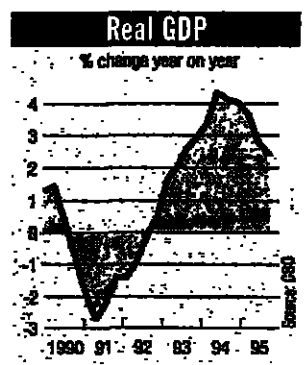
The Chancellor, Kenneth Clarke, said the figures showed that growth had "slowed down to a more sustainable level". But Andrew Smith, shadow chief secretary, said they reflected "the fragile state of the Conservatives' low-investment, high-unemployment economy."

The increase in GDP, which met City expectations, was led by the services sector, which was estimated to have grown by 0.7 per cent compared with the second quarter. Industrial output showed some growth but continued to lag behind.

The construction industry re-

mained the black spot. Early estimates suggested that output declined for the third quarter in succession.

Growth in the service industries was strong in transport and communications, at around 1 per cent, the same as in the first two quarters. For the first time since it began, the lottery did not contribute to growth. The distribution, hotels and catering sector grew by 0.6 per cent.



# Buyout offer for 'Lloyd's List'

MATTHEW HORSMAN

The management of Lloyd's of London Press, publisher of the prestigious *Lloyd's List*, has made an offer to buy the company from the troubled insurance market. Sources suggest a price of about £70m.

Peter Middleton, Lloyd's chief executive, confirmed this summer that the sale of LLP was under review, as part of the restructuring of the insurance group. A spokesman for Lloyd's said last night that no final decision had been taken regarding the sale.

"We have not yet decided at this stage," he said. He added that several unsolicited expressions of interest had already been received and that Lazard Brothers had been appointed to advise the company.

A formal announcement regarding Lloyd's intentions is expected by the end of the week. The current management is believed to have the inside track as a potential buyer, but sources suggested other bidders,

including the Anglo-Dutch publishing giant Reed-Elsevier, might come forward.

If the sale goes ahead, Lloyd's is expected to push for the highest price it can get. It is believed, however, that the current management has proved its ability by turning around the publishing operations between 1992 and this year.

From making unspecified losses three years ago, the group, which includes 30 specialist titles in addition to *Lloyd's List*, the shipping periodical, made profits of £4m last year and is on track to earn £6m this year.

Before making the decision to sell, Lloyd's executives are considering whether the publishing group can operate independently.

Under its current structure, the specialist press has a secure source of information from within Lloyd's and some company insiders are concerned that the flow of information might dry up under independent ownership.

# Small brokers suffer in Japan

Tokyo — Mid-term earnings announcements by Japanese securities houses yesterday revealed a big gap between the fortunes of large and small companies, indicating doubts among investors about the soundness of Japanese brokerages, writes Richard Lloyd Perry.

In the first six months of the fiscal year, Nikko — one of the Big Four brokers, with Nomura, Daiwa and Yamaichi — increased its pre-tax profits by almost 1000 per cent. On the other hand, of the 10 second-tier brokers, nine suffered losses due to slack stock trading in the first quarter. Only one of the smaller houses, Kokusai, was in the black, with profits of ¥3.25bn (£20.3m).

"Since earnings collapse, institutional investors have cut the number of brokerages they use," one analyst said. "Even individuals are worried about the financial health of smaller brokers and tend to place their orders with the big ones. The gap is likely to continue to become

bigger unless management at smaller brokerages decide on what securities business they will focus on."

Further retrenchment is likely among the second-tier brokerages. "But there's a limit to the number of people you can lay off, and a few of these guys have cut back about as much as they feasibly can," one Tokyo-based analyst said.

Bond transactions, buoyed by Japan's all-time low interest rates, were key to success, analysts said. Nomura's half-year profit on bond transactions was a record ¥99.19bn, almost four times the previous year's.

But stockbroking commissions, the mainstay of the securities houses' business, continued to drag after a sluggish six months on the Tokyo stock exchange. Average trading volume on the exchange during the six-month period fell by 10 per cent from a year earlier to about ¥313bn a day. Only Nomura saw an increase in commissions, by a token 0.8 per cent.

# Ministry 'aided' Daiwa cover-up

RICHARD LLOYD PERRY  
Tokyo

Despite repeated denials of responsibility, suspicions are growing that senior officials of Japan's Ministry of Finance colluded in a seven-week cover-up of \$1bn in trading losses at the Daiwa Bank.

The chief of the ministry's banking bureau, Yoshimasa Nishimura, yesterday refused to comment on claims by a former Daiwa executive that he tacitly encouraged the bank to delay reporting the losses, incurred over 11 years by a rogue trader, Toshihide Iguchi, at its New York branch.

Hiroki Yamaji, a former managing director of Daiwa, who resigned along with fellow executives earlier this month, told the *Asahi* newspaper that the bank deliberately failed to notify the US regulatory authorities after discovering the losses in July, and that it was supported in this by Mr

## Suspensions grow of Japanese collusion over delaying reports of bank's losses

Nishimura. Mr Yamaji's revelations suggest that Daiwa is no longer prepared to bear the full brunt of responsibility for the notorious delay, which, even more than the initial losses themselves, is seriously threatening the reputations of the bank and ministry. Government officials have repeatedly put the blame on Daiwa, saying that the mandatory requirement to inform the US regulators of illegal losses rests with banks, not governments.

At times, however, their rationalisations have appeared, at best, naive. In an earlier news conference, Mr Nishimura went so far as to cite "cultural differences" for his failure to probe the former Daiwa president, Akira Fujita, who resigned a fortnight ago. "In Japan, it is not our custom to ask

one of such status as the president of a bank to show to others a private letter," he told reporters, referring to the letter of confession received from Mr Iguchi. "When a bank is given a licence to conduct business, then managers of the bank should act with good faith, honesty and trustworthiness." He also cited the small number of Japanese banking inspectors — 400 — as opposed to 3,000 in the United States.

Daiwa executives knew the extent of the disaster by the beginning of August, but allowed Mr Iguchi, to continue trading to allow time to write off the losses, according to Mr Yamaji. There were also fears that Mr Iguchi might flee, or even commit suicide, before the affair had been fully investigated by the bank. "We wanted to prevent in-

formation from leaking, and we were worried about what would happen if Iguchi ran away," he said. "Yes, I was aware that this trading was not proper, but I figured that it would all be cleared up in the September accounts."

On 8 August senior executives of Daiwa visited the finance ministry's banking bureau and told Mr Nishimura about a 30-page confession from Mr Iguchi. According to Mr Yamaji, the banking bureau chief told them: "As far as timing goes, it would be bad if this gets out." They were left with the strong impression that Mr Nishimura favoured delaying any announcement of the losses, which were not notified to the US Federal Reserve until 18 September.

Regarding a separate cover-up of a \$97m loss by Daiwa's New York trust operation, he admitted that he and his colleagues knew they were acting illegally but "couldn't muster the courage" to speak out.

# WIN A LOTUS ELISE

with the **INDEPENDENT**



Few cars excite such love and loyalty as a Lotus. Launched in 1948 by the legendary Colin Chapman, the Lotus appeal is summed up by its two most famous marques — *Esprit* and *Elan*. Now a new thoroughbred joins the Lotus stable, the *Elise*.

Launched to acclaim at the Frankfurt Motor Show in September, this futuristic two-seater is perhaps their most exciting car ever — and we have one to give away.

Lotus describe their new model as "small, strong, ultra-light, very fast and great fun to drive". The low weight of 675kg benefits braking, handling and steering response. The adjustable driver's seat gives firm yet comfortable support and the minimalist instrumentation displays immediate information.

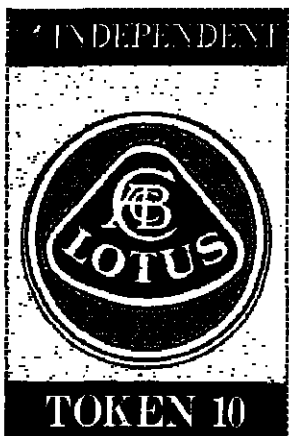
Visually the car is stunning, the curvaceous lines set off by unique five-spoke alloy wheels. The light weight and aerodynamic shape makes the *Elise* a "green" machine, cutting down on fuel consumption and thus carbon dioxide emissions.

The 1795cc 4-cylinder fuel-injected engine delivers a top speed of around 120mph and the *Elise*, worth approximately £20,000, comes with catalytic converter, engine immobiliser, cloth trim and black vinyl hood.

Lotus are exhibiting the *Elise* at this month's Motor Show at London's Earl's Court. As well as receiving the keys to a Lotus *Elise*, our competition winner will also get one year's free insurance provided by Norwich Union Club Insurance. This service offers a 24-hour Clubline which, should you have an accident, connects you to a dedicated Club Incident Manager who will take immediate care of the problem.

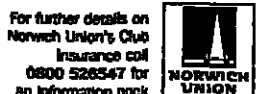
To be in with a chance of winning our prize you must collect six differently numbered tokens from the 14 we are printing in the *Independent* and the *Independent on Sunday*. At least one token must come from the *Independent on Sunday*. We printed an entry form in last Friday's *Independent* and today we are giving you Token 10. WE will reprint the entry form at the end of the competition.

Rules as previously published. For previously published tokens or an entry form send an SAE to: The Independent/Lotus Elise, PO Box 88, Welwyn Garden City, Hertfordshire AL7 1TX. State the amount of tokens you require (only 4 per application). Please mark clearly on your envelope, Token Request or Entry Form. If you need both, please send separate SAEs. Requests must be received by first post 6 November 1995.



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## business

## THE INVESTMENT COLUMN

Edited by TOM STEVENSON

## Chemistry right for drug shares

The pharmaceuticals sector has given investors a pretty rocky ride over the past five years as stock market sentiment has swung wildly. Currently the market is strongly in favour and yesterday's announcement that Glaxo had confirmed the validity of its patent protection for the world's best-selling drug Zantac was the latest good news.

Over the past year, the big pharmaceutical stocks have outperformed the FT-SE 100-share index by a sizeable 28 per cent, an impressive performance given the strength of the market as a whole this year. Drugs look like they are having an *annus mirabilis* to match their almost doubling in value in 1991, when looming recession sent investors scuttling to the perceived safety of the sector. Between the beginning of 1992 and the middle of last year, drugs lagged the market as investors worried about a tightening of the industry's ability to raise prices, but they are now back in fashion.

Within the sector, however, there are marked differences in value. Cheapest in relative terms appears to be SmithKline Beecham, where forecasts from Nikko Europe, the broker, predict growth in pre-tax profits from £1.17bn to £1.74bn between 1993 and 1997. Growth of 16 per cent in the last year of that period compares favourably with a prospective price/earnings ratio in the mid-teens. Interestingly, the decline in US holdings of SB shares since the merger between SmithKline and Beecham has been reversed in the last year, and Nikko's target share price of £20-25p, compared with the current 65p for the A shares, looks achievable. An update will be provided tomorrow by the publication of nine-month figures.

Glaxo Wellcome, formed earlier this year by the UK's largest successful contested bid, also trades at a small discount to its European peers, and looks reasonable value, although less so than SB. Cost savings from the merger appear to have been much better than originally anticipated. That should allow the group to grow earnings at an average of 13 per cent a year over the next three years before a slowdown at the end of the decade as US patent expiries of ulcer drug Zantac and anti-viral Zovirax begin to take effect.

The settlement of the company's patent dispute with rival Genpharm yesterday, however, could encourage US investors, who have shunned the shares recently (see chart), to return.

At 837.5p, up 41p after yesterday's good news, the shares could still have a way to run.

The drug major to have benefited most from bid speculation this year has been Zeneca, the former pharmaceuticals arm of ICI, which at 1183p has also received a boost from favourable developments in its new product pipeline. At that level, the company looks pricey in terms of its price/earnings ratio, which even in 1997 is a demanding 16.5. Earnings growth that year will only be a market average 9 per cent. Despite good fundamentals and strong management the shares look worse value than their peers, with too much speculative froth for most investors' comfort. A nine-month trading update today brings investors up to speed.

## MY wraps up pretty package

The management team that was drafted in at packaging group MY Holdings five years ago must be pleased. Pe-

ripheral businesses such as a games division have long gone. Instead, MY concentrates on supplying the food and pharmaceuticals industries with plastic packs for ready-made meals and containers for pills and medicines.

Though these clients are tough taskmasters, the benefits are higher barriers to entry and fatter margins. The drugs companies, in particular, are willing to pay a higher price for packaging as hygiene and labelling standards are important. The supermarket groups have been pruning supplier lists, choosing only those agile enough to deliver lower volumes on a just-in-time basis. Those that survive are in a better position to withstand supermarket pressure on supplier margins.

The benefit is evident in MY's results, which show a doubling of pre-tax profits to £9.1m, on sales up 50 per cent to £77m. This compares with a £5m loss five years ago. The share price, which was languishing at 20p in 1991, has risen to 69p, up a further 4p yesterday. This is comfortably above January's 53p rights issue price.

MY's biggest problem this year has been the persistent rise in raw material prices that has dogged the sector. However, in spite of fearsome in-

creases in both paperboard and plastic prices, MY has been able to pass most of these increases on.

Looking forward, MY should continue to benefit from the rationalisation of the packaging industry and this year should see an earnings contribution from the Propharmapak business acquired late last November. More deals are expected. House broker Albert E Sharp is forecasting profits of £11m this year, which puts the shares on a forward rating of 12. They could have further to go.

## Troubles mount at YJ Lovell

It is quite an achievement to turn a share worth the equivalent of £31 in 1987 into one trading at just 14p yesterday but that is what a succession of management teams at construction, property and, until recently, house-building group YJ Lovell has managed.

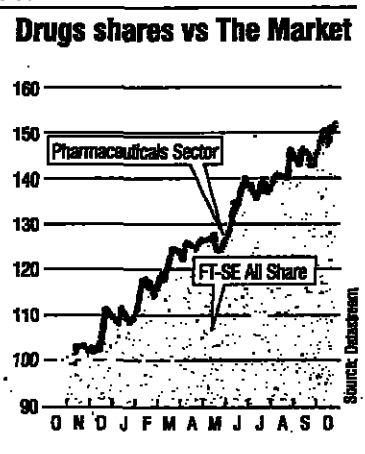
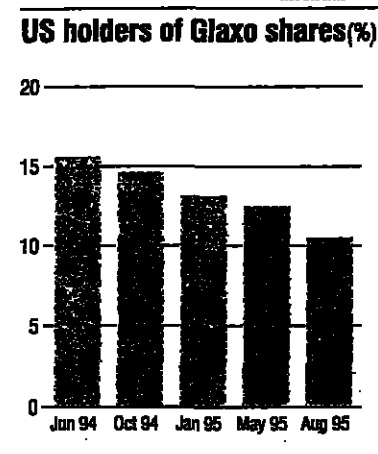
Confirmation over the weekend that Robert Seller, the latest chief executive, has decided to throw in the towel a year early opens the door for David Heppell from Lovell's American outpost to try his luck. Existing shareholders will have long since given up on the investment – the question is whether, at currently depressed levels, the shares are worth buying.

Catching the bottom of similar falls at distressed groups such as Next and Bluebird Toys has made fortunes for investors in recent years. It is far from apparent, however, that what remains at Lovell is a bargain even at this price but having sunk so low they do have attractions as a penny share punt – the 1p rise yesterday represented an 8 per cent increase.

Lovell's is a sad tale of over-confidence in good times (bidding for Higgle & Hill), over-optimism (failing to pay a dividend after promising one with a rights issue) and a massive swing from profit to loss. In 1989, pre-tax profits were £33.4m, more than six times its latest market value, but between 1991 and 1993 it lost £150m.

The company now risks falling into a black hole where investors lose track of what is going on and the shares are driven by unreliable whispers. One forecast yesterday predicted profits of £1.3m for the year to September, putting the shares on a forward p/e ratio of about 10. Highly speculative.

FORECAST GROWTH					
	SmithKline Beecham	Glaxo Wellcome	Zeneca		
Dec 94 Dec 95 (%)	Dec 94 Dec 95 (%)	Dec 94 Dec 95 (%)	Dec 94 Dec 95 (%)		
Pre-tax profits (£m)	6.49 6.95	5.57 7.84	4.48 4.75		
	1,271*	1,354*	2,258	2,753	763 842
Dividends per share (pence)	32.3 34.2	42.7 48.0	55.2	59.9	
	12.9 13.8	27.0 32.0	28.5	30.9	



## Simon Pincombe CITY DIARY

## Tough news for a fund manager to stomach

The Singer & Friedlander investor show has gone down like a lead balloon with many of the 500 fund managers and analysts who turned up at London's Barbican Centre last week. The central attraction at the Cortes International stand – an on-the-spot test for susceptibility to stomach ulcers – resulted in much of the City being diagnosed as of an ulcerous disposition. Nearly half the 200-odd people who took the test (which identifies the presence of ulcer-producing bacteria) failed. Evidently stunned by the poor show, the company quickly rushed out a “don’t be unduly worried” public information bulletin.

“This bacteria is usually found in about 30 per cent of people tested,” explained Jonathan Pockson, Cortes finance director. “There is no cause for alarm for those who failed the test. However, they have all been advised to show the results to their doctor.” Well that was a fun day out.

To add to his woes Michael Howard must surely be asked to explain the surge in his department's electricity bill since he took office. And to his predecessor at the Home Office, Kenneth Clarke.

No stone is being left unturned in the desperate drive to trim every unnecessary penny from the public expenditure bill in the run-up to the budget. So it can only be a matter of time before the Chancellor's attention is drawn to Mr Howard's profligacy with light bulbs.

Mr Clarke has a bee in his bonnet about energy-efficient lighting. The dimly lit Treasury is plagued by weird-looking bulbs and even the showpiece chandelier in the cavernous hall is disfigured by low-emission units.

However, Mr Clarke's penchant for gloom is not shared by Cabinet colleagues or civil servants. One of Mr Howard's more popular deci-



Will Carling (above) has added a fresh dimension to his lecturing technique which, it has to be said, was beginning to look as flat as the English rugby backs in South Africa. There is definitely a keener edge to the performance of the England rugby captain turned management consultant since his run-in with the House of Windsor.

Speaking at a gung-ho sales and marketing conference in Birmingham last week, Mr Carling chose as his theme “winning teams”. He had no sooner mounted the podium, however, than a mobile telephone burst into life somewhere in the assembled throng.

“Tell her I’m not here,” sniped the player. Welcoming the audience, Mr Carling said he was pleased to see so many people. “You can all witness that I am exactly where I said I would be.”

Photograph: John Houlahan

sions has been to reverse a similar greening of the Home Office.

News from the Frinton Society, a gathering of retired Russian interpreters, which has unearthed a secret marketing drive by the South of France to persuade the Russian Mafia to invest in the Cote d’Azur. A glossy magazine, published by Société des Bains de Mer, has hit the streets of Moscow inviting the new breed of Russian entrepreneur to play the French casinos and buy property.

“Of course, there is a splendid Russian Orthodox cathedral in Nice,” notes the society. “But I doubt if the

kind of visitors this mag appeals to will attend.”

One for the English Tourist Board to ponder.

Tonight it's the Wines from Spain evening at Chelsea Football Club, where the Navarra Wine Exporters Association will be hoping to drum up a little trade. “This special event,” says the invitation. “It has the added advantage of taking place in the Private Trophy Room, which is usually only open to CFC directors.”

That should give the happily fuelled guests enough space to stretch out after the festivities. Chelsea last won a trophy in 1971.

## COMPANY RESULTS

	Turnover £	Pre-tax £	EPS	Dividend
Dejco Group (F)	10.2m (7.95m)	0.40m (0.42m)	3.57p (3.22p)	0.5p (0.5p)
Deverport Knives (F)	4.41m (4.28m)	0.33m (0.86m)	14.7p (33p)	nil (nil)
Fairbridge (F)	6.86m (6.19m)	-0.93m (-1.51m)	-4.88p (-7.9p)	nil (nil)
London & Metropolitan (F)	1.24m (1.63m)	-1.60m (-2.14m)	-3.5p (-4.7p)	nil (nil)
NY Holdings (F)	77.1m (51.2m)	9.12m (4.51m)	5.2p (4.48p)	1.4p (1.1p)
Old English Pub Co (F)	3.88m (2.4m)	0.26m (0.1m)	2.71p (1.88p)	0.33p (-)
Rose Group (F)	27m (33.9m)	-2.41m (0.02m)	-1.72p (-0.04p)	nil (nil)

(F) - Final (I) - Interim (N) - Nine months

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Every Tuesday in the INDEPENDENT section two

The deposed chairman of Country Casuals has seen many boardroom battles, David Hellier discovers

## Retail fighter returns to claim the shop

John Shannon says he is not acting out of revenge. Whatever the case, the 45-year-old former Midlands engineer is in the throes of one of the most intriguing takeovers in the City.

Last year he fell foul of the board at Country Casuals, the women's clothing retailer, and left as chairman and chief executive of a company in which he holds nearly 20 per cent of the shares. Earlier this month he decided to use his shareholding as a lever to launch an aggressive £26.8m takeover bid for the company. He has already won the support of the next largest shareholder, Phillips and Drew Fund Management, with 12 per cent. And if he wins the battle, he intends to clear out the board and pay himself £128,100 in lieu of a claim he has against the company for his earlier departure.

“It really is not out of revenge, though. I was quite happy to do other things until I saw the latest financial results and then I decided I had to act,” he says.

“I could have dumped the stock in the market, but that would have had a dramatic effect on the share price and I’m not sure I could have placed it all. Or I could have tried to organise shareholder revolts, but having looked at the numbers I decided that the best way forward was to make a cash bid for the company.”

Mr Shannon is using a shell company for the deal, Ciro Holdings. If successful, this company will buy out Ciro Pearls, another Shannon-controlled company, for £1m. As a result of this deal Mr Shannon would receive more than £450,000 in cash.

Mr Shannon meets visitors in an office above a Ciro Jewellers shop in New Bond Street in London's Mayfair, where he talks freely about a career that has not been short of controversy or movement.

After gaining a first-class degree in mechanical engineering at Bristol University, he started his career in the motor industry as a graduate trainee at Automotive Products. He moved to Yorkshire to work for AE Group supplying car components but left two years later after a disagreement with his boss over computer systems.

Then he moved on to retailing with a job at Stylo Barratt Shoes and from there to Philidar, a French company that specialises in knitting wool and handcraft products.

In 1983 he was offered a job at Laura Ashley as development



Counter revolution: John Shannon ponders his next move in Ciro, the New Bond Street Jeweller Photograph: John Voss

director to help it towards flotation.

After four years he left following another disagreement with a main board director. Mr Shannon wanted to develop different strands to the business, such as menswear, but the board disagreed. He went on to work for the fashion designer Katherine Hammett, while Laura Ashley went into the doldrums.

The Katherine Hammett job, where he was to help decide on strategy, was barely past its induction phase when it was interrupted. He says Moss Bros, the clothing retailer, approached him through head-hunters to run the company as chief executive.

He resigned from Katherine Hammett and accepted the new offer – only to hear that Moss Bros had bought Cecil Gee and had decided to give the top job to somebody else. Five years of litigation followed as Mr Shannon chased, and eventually won, compensation. All Moss Bros would say publicly about the affair was: “As far as we’re concerned, John Shannon has never worked for us.”

With no regular employment, Mr Shannon set about finding a company to run. He alighted on Country Casuals, which was in the process of being sold by Coats Viyella. He collected a management team, gained the backing of Bank of Scotland and a few other financial partners, invested £75,000 himself, and succeeded with a £12.5m bid.

The new team restructured the business, disposed of some freehold properties, sold the credit card debt and put in new computer systems. Mr Shannon says the main problem with the collection of designs was that it was too frumpy, so this was changed too. The group's image was standardised, with the help of Michael Peters Design Group, and for a while things went well.

The management team bought a 50 per cent shareholding in Oasis and at one stage planned to float both Country Casuals and Oasis at the same time. In the event, Country Casuals floated in 1992, putting a £4.5m valuation on Mr Shannon's stake, and

Oasis had to wait until this year to float. (Oasis, in which Mr Shannon has a 7 per cent shareholding, is now worth three times as much as its former dominant partner).

Country Casuals went on to buy a company in Birmingham, House of Leros, and to start Elvi, a brand name for larger women. “We saw this as an opportunity,” says Mr Shannon, who claims there was only one competitor truly marketing to the 40 per cent of women in the UK of size 16 or more.

Elvi was launched on to the market at the end of 1993 but Mr Shannon says “in hindsight” it did not work. Women turned out to be reluctant to spend on high-quality large size clothes, preferring to buy cheaper clothes as a stop-gap until they lost weight. Elvi moved further downmarket but the project, says Mr Shannon, played a part in his departure from the group. The Elvi business is still causing headaches and operating losses are deepening.

The crunch came for Mr

Shannon when he and the board could not agree on the length of a new service agreement. He asked for a two-year contract and was offered only one year. It became an issue of whether the board had confidence in him and when it seemed clear they did not he left. “Eighty-seven per cent of company directors had three-year contracts at this time and even somebody who had taken over the running of Elvi was put on a 19-month one,” he says.

The current board members blame Mr Shannon for some of their problems and feel they are better off without him. He plays down stories of bad feeling. “I’m still friendly and I see most of them a number of times a year. But if I get the company back none of the board will stay.”

Given that what he offers shareholders now is cash and a way out of their investment, the issue for them is whether the company is making substantial progress, as it says it is, or whether they agree with him that Country Casuals “is going backwards, not forwards”.

## Daimler Aerospace to shed 8,800 jobs

Daimler-Benz Aerospace AG (Dasa) said yesterday that it plans to cut 8,822 jobs in Germany by the end of 1998. Most of the jobs – 8,046 – will go under a restructuring plan, with the remaining cuts resulting from trainee positions not being filled.

The company's chairman, Manfred Bischoff, told a news conference he did not “rule out” a loss of more than DM20n (£300m) in 1995. Such a loss could occur if the dollar fell below DM1.35, although he did not consider that eventuality “highly likely”.

“The year's result will be strongly dependent on where the dollar is at the end of the year,” Mr Bischoff said. If the dollar remained above DM1.3800 for the rest of the year, Dasa would release some of the loss provisions it made in the first half of the year.

He added that he expected the restructuring programme to result in a charge of about DM500m. He declined to give a more exact figure.

The programme is designed to enable Dasa to become profitable at a dollar exchange rate of DM1.35 by the end of 1998, he said. Dasa's break-even level for the dollar is now at DM1.65, he said.

Dasa's workers' council said a strike “cannot be ruled out”. Heinz Hawreluk, an IG Metall official representing Dasa's workers' council on its supervisory board, said at a news conference that the union would “use all possible measures allowed by law” to convince management to change its plan to cut up to 12,000 jobs.

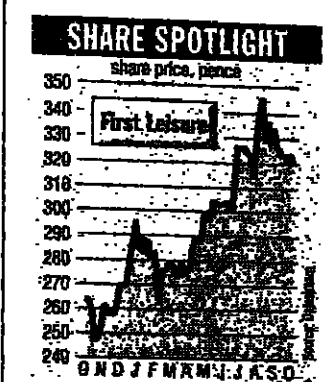
Mr Hawreluk said the union figure included almost 2,000 jobs already cut under an on-going restructuring programme, as well as a further 1,000 jobs which may be lost if Dasa sells its Motoren-und Turbinen-Union subsidiary to BMW. These talks are “in a serious phase”, Mr Bischoff said.

Under the restructuring, Dasa would also sell its plants at Laupheim, Peissenberg and Speyer, the company said, but the plan does not apply to Fokker NV. “The measures necessary at Fokker will be taken by bodies responsible for it,” the spokesman said, noting that Dasa and Fokker were in discussions with the Dutch government about its restructuring.



## market report/shares

DATA BANK	
FT-SE 100	3,531.5 -19.9
FT-SE 250	3,912.5 -27.0
FT-SE 350	1,758.6 -10.4
SEAQ VOLUME	522.4m shares
28,554 bargains	
Gilts Index	92.67 -0.08



## Glaxo brings welcome relief on a demoralising day

Glaxo Wellcome came to the rescue of a demoralised stock market. The nation's biggest company was, like other blue chips, a casualty of foreign exchange turmoil and mounting worries about tomorrow's government stocks auction.

At one time its shares were down 12.5p and seemed destined to go lower. Then came details of the out-of-court Zantac settlement with Genpharm. In heavy trading, with SeaQ putting volume at nearly 24 million shares, Glaxo surged ahead, closing up 52.5p at 849p, its highest for three years.

The Glaxo gain added more than 10 points to the FT-SE 100 index. With other drug shares moving ahead in sympathy a ragged 40.5-point fall was cut to a more tolerable 19.9. Even so Footsie has lost more than 60 points in the past three trading sessions.

The market took the view

that Glaxo had made a realistic judgement in reaching a Zantac settlement. Its profits would have been hit if it had lost the case. The deal is seen as removing nagging worries and could encourage US investors, who have grown increasingly lukewarm about the company, back into the shares.

But the ulcer treatment market is increasingly competitive and Zantac's margins, once embarrassingly fat, are coming under fierce pressure. Zeneca joined the drugs party with a 20p gain to 1.19p and SmithKline Beecham contributed a 4.5p rise to 657p.

Elsewhere an air of gloom prevailed. New York and European stock and bond markets were weak, largely on the back of the currency upheaval. The latest Italian political crisis added to the nervousness.

Anxiety about tomorrow's £3bn gilts auction was evident. After the fiasco of the last

MARKET REPORT  
DEREK PAIN

auction, which was undersubscribed, there are deep worries that the Bank of England could suffer further humiliation. It is widely believed that this week's auction will not appeal to many overseas investors and represented a much more difficult exercise than the under-subscribed failure. Gilts, not surprisingly, looked fragile.

There were falls of up to 25/4. Equity trading, however, was far from exuberant with most traders complaining about the lack of investor interest. Most institutions remain reluctant to sell just in case one of those much-murmured mega-bids materialises or the market recovers its

rip-roaring approach, which last week swept shares to an all-time peak.

NetWest Securities suggests that Footsie could hit 3,900 in the first half of next year and Société Générale Strauss Turnbull ponders 3,750 by the end of the year, with 4,250 possible a year later.

a 10-month low, on worries that it was continuing to give ground to Tesco. Interim figures are due next week.

Waters drifted gently as the market prepared for the expected government clearance of the Lyonnais des Eaux bid for Northumbrian Water, up 15p at 1,000p. The French assault could open the floodgates to water bids with overseas groups moving in. Deals between utilities are likely.

First Leisure Corporation, the discotheque and ten-pin bowling group, edged ahead 2p to 323p. NatWest has trimmed its profit forecast from 641m to 639m for the year ending this month. The summer heavyweight, it argues, is likely to have his debt sales. PLCs is expected to issue a trading update next month.

The departure of the US chief executive and James Capel sell advice left Rentokil, the timber treatment group,

3.45p down at 328p and GKN was hit by cautious comments from Robert Fleming, falling 16p to 776p.

Scottish Television rose 7p to 508p as a 1.79 million line went through at 512p and takeover favourite Royal Bank of Scotland responded to a five million trade at 518p with a 5p fall to 524p.

Northern Foods, near its year's low, added 4p to 184p on talk of corporate action. The shares were firm on Friday.

RNB Resources fell 10p to 132p; there are worries it faces an exodus from its Norman Broadbent head-hunting division. Tring International, the cases publisher, continued to suffer from last week's profit warning, off another 8p at 44p.

Acorn Computer gained 5p to 153p as the group continued its City presentations. Word is that its 42.8 per cent-owned Advanced Risc Machines associate is painting an optimistic picture of prospects. It is thought that production of its new high-performance but low-powered computer chips could be running at 200 million a year by the year 2000. Some institutions are wondering if the takeover excitement in the US computer industry will engulf ARM or lead to a bid for Acorn. Its shares have risen from 109p this month.

TRAP, a distributor of rubber and plastic products, rose 5p to 155p in busy trading. It seems that three institutions picked up shares from parties unhappy with the company's takeover of Welpac, a struggling distributor of DIY materials.

## SHARE PRICE DATA

Prices are in sterling except where stated. The yield is last year's dividend, grossed up by 20 per cent, as a percentage of the share price. The price/earnings (P/E) ratio is the share price divided by last year's earnings per share, excluding exceptional items.

Other details: ex rights x Ex-dividend x Ex-all x Unlisted Securities Market x Suspended on Friday x No bid share

Source: Reuters

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UK Company News 02 Wall St Report 20 Electricity Shares 40

Foreign Exchange 03 Tokyo Market 21 High Street Banks 41

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## MARKET LEADERS: TOP 20 VOLUMES

Stock	Vol/1000	Share	Vol/1000	Share	Vol/1000	Share
Glaxo Wellcome	23,000	849p	BT	5,000	508p	524p
First Leisure	12,000	323p	Shell Transport	4,000	400p	400p
ASDA Group	12,000	81p	BT	4,000	508p	524p
Imperial Chemical	10,000	7.25p	British Steel	3,000	3.00p	3.00p
Scottish Power	10,000	10.00p	Timberland	2,000	2.00p	2.00p

## FT-SE 100 INDEX HOUR BY HOUR

Open 3538.9 down 12.5	11.00 3519.0 down 32.4	14.00 3515.2 down 36.2
08.00 3524.2 down 27.2	12.00 3517.8 down 38.6	15.00 3524.2 down 27.1
10.00 3522.1 down 29.3	13.00 3511.7 down 39.7	16.00 3529.7 down 21.9
		Close 3521.5 down 19.9

## BANKS, MERCHANT

Bank of Scotland	10.00p
Barclays Bank	10.00p
First Direct	10.00p
HSBC	10.00p
London City	10.00p
Midland Bank	10.00p
NatWest	10.00p
Paragon	10.00p
Royal Bank of Scotland	10.00p
Santander	10.00p
TSB	10.00p
Wells Fargo	10.00p

## BANKS, RETAIL

Bank of Scotland	10.00p
Barclays Bank	10.00p
First Direct	10.00p
HSBC	10.00p
London City	10.00p
Midland Bank	10.00p
NatWest	10.00p
Paragon	10.00p
Royal Bank of Scotland	10.00p
Santander	10.00p
TSB	10.00p
Wells Fargo	10.00p

## DIVERSIFIED INDUSTRIALS

ASDA Group	81p
ASDA Retail	81p
ASDA Supermarkets	81p
ASDA Wholesale	81p
ASDA Food	81p
ASDA Clothing	81p
ASDA Home	81p
ASDA Garden	81p
ASDA Pet	81p
ASDA Travel	81p
ASDA Leisure	81p
ASDA Services	81p

## BREWERIES

Asahi	10.00p
Beck's	10.00p
Carlsberg	10.00p
Heineken	10.00p
Kaiser	10.00p
Miller	10.00p
Pilse	10.00p
Stout	10.00p
Tennent	10.00p
Watson	10.00p
Wheat	10.00p
Yeast	10.00p

## BUILDING/CONSTRUCTION

ASDA Group	81p
ASDA Retail	81p
ASDA Supermarkets	81p
ASDA Wholesale	81p
ASDA Food	81p
ASDA Clothing	81p
ASDA Home	81p
ASDA Garden	81p
ASDA Pet	81p
ASDA Travel	81p
ASDA Leisure	81p
ASDA Services	81p

## ELECTRONICS

ASDA Group	81p
ASDA Retail	81p
ASDA Supermarkets	81p
ASDA Wholesale	81p
ASDA Food	81p
ASDA Clothing	81p
ASDA Home	81p
ASDA Garden	81p
ASDA Pet	81p
ASDA Travel	81p
ASDA Leisure	81p
ASDA Services	81p

## BUILDING MATERIALS

ASDA Group	81p
ASDA Retail	81p
ASDA Supermarkets	81p
ASDA Wholesale	81p
ASDA Food	81p
ASDA Clothing	81p
ASDA Home	81p
ASDA Garden	81p
ASDA Pet	81p
ASDA Travel	81p
ASDA Leisure	81p
ASDA Services	81p

## CHEMICALS

ASDA Group	81p
ASDA Retail	81p
ASDA Supermarkets	81p
ASDA Wholesale	81p
ASDA Food	81p
ASDA Clothing	81p
ASDA Home	81p
ASDA Garden	81p
ASDA Pet	81p
ASDA Travel	81p
ASDA Leisure	81p
ASDA Services	81p

## DISTRIBUTORS

ASDA Group	81p
ASDA Retail	81p
ASDA Supermarkets	81p
ASDA Wholesale	81p
ASDA Food	81p
ASDA Clothing	81p
ASDA Home	81p
ASDA Garden	81p
ASDA Pet	81p
ASDA Travel	81p
ASDA Leisure	81p
ASDA Services	81p

## ENGINEERING VEHICLES

ASDA Group	81p
ASDA Retail	81p
ASDA Supermarkets	81p
ASDA Wholesale	81p
ASDA Food	81p
ASDA Clothing	81p
ASDA Home	81p
ASDA Garden	81p
ASDA Pet	81p
ASDA Travel	81p
ASDA Leisure	81p
ASDA Services	81p

## EXTRACTIVE INDUSTRIES

ASDA Group	81p
ASDA Retail	81p
ASDA Supermarkets	81p
ASDA Wholesale	81p
ASDA Food	81p
ASDA Clothing	81p
ASDA Home	81p
ASDA Garden	81p
ASDA Pet	81p
ASDA Travel	81p
ASDA Leisure	81p
ASDA Services	81p

## INVESTMENT COMPANIES

ASDA Group	81p
ASDA Retail	81p
ASDA Supermarkets	81p
ASDA Wholesale	81p
ASDA Food	81p
ASDA Clothing	81p
ASDA Home	81p
ASDA Garden	81p
ASDA Pet	81p
ASDA Travel	81p
ASDA Leisure	81p
ASDA Services	81p

## INVESTMENT TRUSTS

ASDA Group	81p
ASDA Retail	81p
ASDA Supermarkets	81p
ASDA Wholesale	81p
ASDA Food	81p
ASDA Clothing	81p
ASDA Home	81p
ASDA Garden	81p
ASDA Pet	81p
ASDA Travel	81p
ASDA Leisure	81p
ASDA Services	81p

## LEISURE &amp; HOTELS

ASDA Group	81p
ASDA Retail	81p
ASDA Supermarkets	81p
ASDA Wholesale	81p
ASDA Food	81p
ASDA Clothing	81p
ASDA Home	81p
ASDA Garden	81p
ASDA Pet	81p
ASDA Travel	81p
ASDA Leisure	81p
ASDA Services	81p

## OIL EXPLORATION

ASDA Group	81p
ASDA Retail	81p
ASDA Supermarkets	81p
ASDA Wholesale	81p
ASDA Food	81p
ASDA Clothing	81p
ASDA Home	81p
ASDA Garden	81p
ASDA Pet	81p
ASDA Travel	81p
ASDA Leisure	81p
ASDA Services	81p

## OIL, INTEGRATED

ASDA Group	81p
ASDA Retail	81p
ASDA Supermarkets	81p
ASDA Wholesale	81p
ASDA Food	81p
ASDA Clothing	81p
ASDA Home	81p
ASDA Garden	81p
ASDA Pet	81p
ASDA Travel	81p
ASDA Leisure	81p
ASDA Services	81p

## OTHER FINANCIAL

ASDA Group	81p
ASDA Retail	81p
ASDA Supermarkets	81p
ASDA Wholesale	81p
ASDA Food	81p
ASDA Clothing	81p
ASDA Home	81p
ASDA Garden	81p
ASDA Pet	81p
ASDA Travel	81p
ASDA Leisure	81p
ASDA Services	81p

## OTHER SERVICES

ASDA Group	81p
ASDA Retail	81p
ASDA Supermarkets	81p
ASDA Wholesale	81p
ASDA Food	81p
ASDA Clothing	81p
ASDA Home	81p
ASDA Garden	81p
ASDA Pet	81p
ASDA Travel	81p
ASDA Leisure	81p
ASDA Services	81p

## PHARMACEUTICALS

ASDA Group	81p
ASDA Retail	81p
ASDA Supermarkets	81p
ASDA Wholesale	81p
ASDA Food	81p
ASDA Clothing	81p
ASDA Home	81p
ASDA Garden	81p
ASDA Pet	81p
ASDA Travel	81p
ASDA Leisure	81p
ASDA Services	81p

## PRINTING &amp; PAPER

ASDA Group	81p
ASDA Retail	81p
ASDA Supermarkets	81p
ASDA Wholesale	81p
ASDA Food	81p
ASDA Clothing	81p
ASDA Home	81p
ASDA Garden	81p
ASDA Pet	81p
ASDA Travel	81p
ASDA Leisure	81p
ASDA Services	81p

## LIFE ASSURANCE

ASDA Group	81p
ASDA Retail	81p
ASDA Supermarkets	81p
ASDA Wholesale	81p
ASDA Food	81p
ASDA Clothing	81p
ASDA Home	81p
ASDA Garden	81p
ASDA Pet	81p
ASDA Travel	81p
ASDA Leisure	81p
ASDA Services	81p

## MEDIA

ASDA Group	81p
ASDA Retail	81p
ASDA Supermarkets	81p
ASDA Wholesale	81p
ASDA Food	81p
ASDA Clothing	81p
ASDA Home	81p
ASDA Garden	81p
ASDA Pet	81p
ASDA Travel	81p
ASDA Leisure	81p
ASDA Services	81p

## PROPERTY

ASDA Group	81p
ASDA Retail	81p
ASDA Supermarkets	81p
ASDA Wholesale	81p
ASDA Food	81p
ASDA Clothing	81p
ASDA Home	81p
ASDA Garden	81p
ASDA Pet	81p
ASDA Travel	81p
ASDA Leisure	81p
ASDA Services	81p

## GOVERNMENT SECURITIES

ASDA Group	81p
ASDA Retail	81p
ASDA Supermarkets	81p
ASDA Wholesale	81p
ASDA Food	81p
ASDA Clothing	81p
ASDA Home	81p
ASDA Garden	81p
ASDA Pet	81p
ASDA Travel	81p
ASDA Leisure	81p
ASDA Services	81p

## INDEX LINKED

255	Polishay	420	2.1	2.1	255	183
180	Plumit	278	2.0	2.0	254	183
88	Plumit W	17	3.0	3.0	144	254
148	Polishay	183	3.0	3.0	253	174
163	Polishay	183	3.0	3.0	181	183
143	Polishay	183	3.0	3.0	173	183
253	Polishay	183	3.0	3.0	252	144
253	Polishay	183	3.0	3.0	252	144
253	Polishay	183	3.0	3.0	252	144
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253	Polishay	183	3.0	3.0	252	144



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FOREIGN EXCHANGE RATES

STERLING				DOLLAR				D-MARK	
Country	Spot	1 month	3 months	Spot	1 month	3 months	Spot		
US	1.9507	19-11	54-01	1.0000			0.6257		
Canada	2.1089	48-14	34-18	1.2769	2-18	26-38	0.8226		
France	2.1462	49-04	139-10	1.3300	8-21	65-82	1.0026		
Germany	2.7040	82-105	148-212	4.8784	89-100	220-250	3.5257		
Italy	729.98	88-104	248-258	161.9	70-77	205-277	118.15		
Japan	157.89	12-10	38-40	65.5	48-45.5	74-75	72.05		
SDI	1.1932	10-1	31-60	2.1718	20-4	-3-40	0.8437		
Belgium	44.922	12-9	31-40	25.4	4-8.3	13-10.5	20.908		
Spain	137.89	12-10	38-40	5.3767	19-42	30-40	3.8989		
Netherlands	0.4465	89-98	179-184	1.5844	29-28	79-94	1.1201		
Ireland	2.9741	10-7	23-13	1.8177	17-1	1-1	2.2035		
Portugal	2.0262	10-10	24-10	1.3177	19-20	130-40	4.4384		
Hungary	3.9637	49-65	129-148	126.48	98-42	108-117	88.38		
Sweden	10.829	17-24	49-60	8.8980	108-105	495-510	4.2519		
Switzerland	2.7178	77-10	210-270	1.4100	39-47	108-105	0.8125		
Australia	1.719	13-28	35-41	8.7495	19-10	30-27	1.0929		
Hong Kong	12.2185	22-24	229-273	7.7913	9-10	37-7	5.6942		
Thailand	2.9673	42-54	71-85	2.5142	13-23	47-82	1.8156		
New Zealand	3.2803	25-28	71-85	2.0688	19-22.5	39-54	0.8129		
South Africa	1.9507	10-10	24-10	3.7900	9-12	1-12	2.1816		
Singapore	2.2222	80-85	210-270	1.4100	39-49	98-99	0.9779		

OTHER SPOT RATES

Country	Sterling	Dollar	Country	Sterling	Dollar
Argentina	1.97971	0.6880	Hong Kong	129.2098	81.75
Brazil	1.21235	0.3719	India	0.60789	0.2846
Canada	1.11896	0.981	Pakistan	26.1018	31.75
China	15.1185	0.3600	Peru	43.0485	0.2475
Colombia	6.3995	0.3300	Portugal	281.196	146.27
France	6.0985	4.1880	Spain	5.7467	2.6393
Germany	1.2303	0.40	Sweden	7.195.125	4905
Greece	381.85	22.50	South Africa	8.1729	3.6375
India	65.9175	39.80	Switzerland	2.7178	3.3230
Indonesia	13.9980	0.3500	USA	3.8004	3.3304

Notes: Forward rates quoted above are for the first day of a different calendar month and unless there are high rates for the first day of a calendar month are for the first day of the month. Rates are for 100 units of the foreign currency against 1 unit of the British pound sterling. \*Other rates are for 100 units of the foreign currency against 1 unit of the US dollar.

TOURIST RATES

Country	1 Day	2 Day	3 Day	4 Day	5 Day
Australia (Dollars)	2.0480		7.4400	New Zealand (Dollars)	2.9400
Canada (Dollars)	14.0000		2.1300	Norway (Dollars)	2.4000
France (Dollars)	6.0000		384.0000	Portugal (Dollars)	822.0000
Germany (Dollars)	2.0000		11.7000	Spain (Pesetas)	174.0000
Hong Kong (Dollars)			0.9800	Sweden (Dollars)	18.0000
Italy (Dollars)			24.0000	Switzerland (Francs)	2.0000
Japan (Yen)			166.0000	Taiwan (Dollars)	70.0000
South Africa (Rand)			0.5400	USA (Dollars)	1.5400

INTEREST RATES

UK	Germany	US	Japan	France	
Base	6.75%	Discount	5.50%	5.00%	
Prime	8.00%	Prime	8.00%	8.00%	
Discount	9.00%	10-12 Day Repo	9.25%	Discount	2.00%
Advances	3.70%	Discount	5.00%	Repo (A/R)	8.91%

Notes: US 1080 Market Rates

Country	Spot	1 Day	10 Day	1 Month	3 Month	6 Month	1 Year
UK	8%	7.50%	8.20%	8.20%	8.20%	8.20%	8.20%
Canada	8%	7.50%	8.20%	8.20%	8.20%	8.20%	8.20%
France	8%	7.50%	8.20%	8.20%	8.20%	8.20%	8.20%
Germany	8%	7.50%	8.20%	8.20%	8.20%	8.20%	8.20%
Italy	8%	7.50%	8.20%	8.20%	8.20%	8.20%	8.20%
Japan	8%	7.50%	8.20%	8.20%	8.20%	8.20%	8.20%
South Africa	8%	7.50%	8.20%	8.20%	8.20%	8.20%	8.20%
Sweden	8%	7.50%	8.20%	8.20%	8.20%	8.20%	8.20%
Switzerland	8%	7.50%	8.20%	8.20%	8.20%	8.20%	8.20%
USA	8%	7.50%	8.20%	8.20%	8.20%	8.20%	8.20%

BOND YIELDS

Country	Spot	1 Day	10 Day	1 Month	3 Month	6 Month	1 Year
UK	8%	7.50%	8.20%	8.20%	8.20%	8.20%	8.20%
Canada	8%	7.50%	8.20%	8.20%	8.20%	8.20%	8.20%
France	8%	7.50%	8.20%	8.20%	8.20%	8.20%	8.20%
Germany	8%	7.50%	8.20%	8.20%	8.20%	8.20%	8.20%
Italy	8%	7.50%	8.20%	8.20%	8.20%	8.20%	8.20%
Japan	8%	7.50%	8.20%	8.20%	8.20%	8.20%	8.20%
South Africa	8%	7.50%	8.20%	8.20%	8.20%	8.20%	8.20%
Sweden	8%	7.50%	8.20%	8.20%	8.20%	8.20%	8.20%
Switzerland	8%	7.50%	8.20%	8.20%	8.20%	8.20%	8.20%
USA	8%	7.50%	8.20%	8.20%	8.20%	8.20%	8.20%

MONEY MARKET RATES

Country	Spot	1 Day	10 Day	1 Month	3 Month	6 Month	1 Year
UK	8%	7.50%	8.20%	8.20%	8.20%	8.20%	8.20%
Canada	8%	7.50%	8.20%	8.20%	8.20%	8.20%	8.20%
France	8%	7.50%	8.20%	8.20%	8.20%	8.20%	8.20%
Germany	8%	7.50%	8.20%	8.20%	8.20%	8.20%	8.20%
Italy	8%	7.50%	8.20%	8.20%	8.20%	8.20%	8.20%
Japan	8%	7.50%	8.20%	8.20%	8.20%	8.20%	8.20%
South Africa	8%	7.50%	8.20%	8.20%	8.20%	8.20%	8.20%
Sweden	8%	7.50%	8.20%	8.20%	8.20%	8.20%	8.20%
Switzerland	8%	7.50%	8.20%	8.20%	8.20%	8.20%	8.20%
USA	8%	7.50%	8.20%	8.20%	8.20%	8.20%	8.20%

LIFE FINANCIAL FUTURES

Contract	Settlement price	High/Low	Settlement	Open Interest
Jan 81	104.28	104.28	104.34	95345
Mar 81	95.87	96.02	95.71	200695
May 81	125.54	125.80	125.29	3854
Jul 81	125.54	125.80	125.29	3854
Sep 81	95.87	96.02	95.71	13318
Nov 81	95.87	96.02	95.71	13318
Jan 82	95.87	96.02	95.71	13318
Mar 82	95.87	96.02	95.71	13318
May 82	95.87	96.02	95.71	13318
Jul 82	95.87	96.02	95.71	13318
Sep 82	95.87	96.02	95.71	13318
Nov 82	95.87	96.02	95.71	13318
Jan 83	95.87	96.02	95.71	13318
Mar 83	95.87	96.02	95.71	13318
May 83	95.87	96.02	95.71	13318
Jul 83	95.87	96.02	95.71	13318
Sep 83	95.87	96.02	95.71	13318
Nov 83	95.87	96.02	95.71	13318
Jan 84	95.87	96.02	95.71	13318
Mar 84	95.87	96.02	95.71	13318
May 84	95.87	96.02	95.71	13318
Jul 84	95.87	96.02	95.71	13318
Sep 84	95.87	96.02	95.71	13318
Nov 84	95.87	96.02	95.71	13318
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## UNIT TRUSTS GUIDE

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## sport

**RUGBY UNION:** Jack Rowell, the England manager, recently warned that lack of emerging talent could thwart his ambition of competing with the southern hemisphere superpowers. **Steve Bale** examines the extent of the problem, including at grass-roots level (right), and argues that many of the wounds are self-inflicted

# ENGLAND'S GENERATION GAP

The England team to play South Africa will shortly be picked and the protracted debate has exposed the fallacy that the English had not only developed themselves a successful team but also a production-line to sustain that success.

How wrong we were to imagine that during the watershed Geoff Cooke years England had a structure - from schools through age-group sides and England A all the way up - to go with the team. Now that a generational change is finally needed, it cannot be made because the ready-made internationals that we thought were being produced do not after all exist.

Rob Andrew may already have made up Jack Rowell's mind for him by suddenly retiring, but Carling, Rory Underwood, Moore and Richards can hardly still be around at the 1999 World Cup and, no matter how much Cooke's successor as a manager may wish to change now, he finds himself frustrated.

"Half the current England team, for the proper reasons, will disappear in the relatively short term and we need to have people ready to come in and take over," Rowell said. "But there aren't many knocking on the door."

"We have a lot of good club players but a paucity of numbers when it comes to people who can come in and cope with what's happening on the international field today. The more you get into it, the more you look at the players, the more you think they need another season."

"We don't challenge them effectively and not least we don't appear really to focus on the 16 to 21 year olds where a lot of talent comes up and seems to evaporate."

The Rugby Football Union has addressed this critical issue by appointing John Elliott, hitherto one of Cooke's and then Rowell's fellow-selectors, as national player development officer with a brief to fill the sub-international hiatus that not long ago we had been led to believe had ceased to exist.

Inevitably there are excuses, one of them all too familiar. "It's like most other sports in England: we have so many players that if you miss one you don't worry because there'll always be another one coming along."



Passing fancy: Andy Gomarsall displays the scrum-half skills which have been noticed by England, but which have yet to win a regular Wasps place

Photograph: Adam Scott

Elliott said. "That's the wrong attitude, but it's understandable. We had the excuse that it was difficult sorting the wheat from the chaff, spending too much time on selecting rather than developing because of the numbers at our disposal. It's only when we look in admiration at countries like Scotland or Australia, who have a very limited number of players, and see how they get on with it that we appreciate how blessed we are."

That said, there is a palpable feeling that England are not maximising even the resources they do identify. Take Andy Gomarsall: when Kyran Bracken was injured during the recent World Cup the Wasps scrum-half was summoned from the A-team tour of Australia as a

temporary stand-by, only for Rowell to complain that, as Gomarsall had seldom played first-team rugby, he was having to take his international potential on trust.

The club-country complaint was obvious, that if Gomarsall was an England scrum-half in the making he should be spending every domestic Saturday playing First Division rugby and not sitting on the bench or representing Wasps seconds.

Rowell has had cause to repeat his admonition this season, though the addition of Steve Bates to the list of defectors to Newcastle has crystallised Wasps' scrum-half priorities. Yet at the same time the Wasps centre Nick Greenstock, another member of the England

squad, has been done no favours by the self-same club while he has continued to languish in the second string.

There are others, but the point Rowell is making is that it is a self-inflicted wound when the progress of the Gomarsalls and Greenstocks, or of a prop like John Mallett at his old club Bath, is being quite deliberately impaired, when at certain clubs so many players good enough for the First Division are kept on the fringe.

This is another issue, concerned with the RFU's qualification policies for transferred players. "What would happen in soccer is they would play for, say, Bristol City for a season or two and then when they were

ready move on to, say, Liverpool," Elliott said.

"Perhaps the new structures that are being worked out will make this sort of process easier to achieve. At the same time, it's not complacent to say that the playing structure was in place but it's true to say the development structure wasn't. We've overcome huge hurdles since 1988."

"Pre-1988 the fitness standards were very poor but we've done something about that. The skill deficiency of our players is still there and we have to motivate them to put it right themselves. If a player's swing wasn't right he would go and hit 100 balls a day and we have to do the equivalent of that in rugby."

Thus Richard Hill and Nigel

Melville, two ex-England captains, have been assigned to work a one-to-one with Gomarsall, Rob Kitchen and Matthew Dawson, the scrum-halves who follow Bracken in the England pecking order since Dewi Morris's retirement. Elliott has an elite developmental squad of 22 specifically singled out for their England potential.

Mind you, the very fact that his appointment has now been deemed necessary tells its own story. And, as this former England reserve hooker would graciously admit, much of what he is doing in identifying the best young talent, closely monitoring progress and providing individual tuition, seems so obvious you wonder why on earth no one had thought of it before.

In any case, the news is not all bad. "We could name 15 players who have not been our first choice but would walk into some other team: Hopley, Dwyre, Jenkins, De Glanville, Hunter and others. So the players are there, but both Geoff and Jack have encouraged stability and now that we need to make changes it will take a while for prospective internationals to become so street-wise that they are worthy internationals."

"When any sport seems to hit a bad patch, everyone cries out 'where is the youth?' But a youth policy is not to trust people in at 19; it is a policy where good young players develop into international players." Of whom England evidently need a whole lot more.

## Interested parties: how the problem affects those at all levels

By David Llewellyn

### The promising young player unable to command a first-team place

Nick Greenstock (Wasps)



Last season Greenstock's prolific scoring and prodigious pace caught the eye of the powers that be, and despite not being picked for Wasps' first team he is in the England training squad. His preferred position is in the centre but, last season, Wasps played him on the wing.

He says: "I feel very frustrated. Perhaps a loan transfer system might work, allowing players in my situation who need first-team rugby in the First Division to play temporarily for clubs nearby. In my case perhaps Saracens or Harlequins."

"I didn't get into the Emerging England side through Wasps, I did it through the Divisional Championship, because I had been injured for the eight weeks prior to the Divisionals. I think the Emerging was an excellent set-up. It certainly helped me a great deal. I am in the current England training squad on the strength of my performances for the Emerging side. They now say they will turn England A into a development squad, but there is going to be nowhere for the experienced older players, who have lost their form, to try out. I would imagine they will use England A to prove their form and fitness, either that or they will just disappear from the scene altogether. Whatever, it would seem that younger players would suffer."

### The established player fighting off all challengers

Brian Moore (Harlequins)



Moore has won 64 England caps - 63 at hooker, a record. He rescinded a decision to retire earlier this year because he felt there was still opportunity for him to add to his collection of caps. His only serious rival for the No 2 shirt has been Bath's Graham Dawe and Moore can see no younger challenger appearing over the horizon.

He says: "The Rugby Football Union's initiative in persuading certain flankers at certain clubs - Martin Pepper at Harlequins and Gareth Adams at Bath - was taken only 12 months ago. And these people who are changing to hooker now need at least three seasons in the First Division before they are anywhere near ready."

"Ordinarily a player who is a natural hooker would take three seasons at First Division level to be ready to be regarded as a prospective international. If you are having to change position as well it compounds the problem, so it takes that extra season. Probably four years in all."

"I must admit the fact that there are no young challengers for my England place is great for me. I'm not complaining. The prospective hookers now - the converted flankers - will still have time before the next World Cup in 1999, having served their apprenticeship, to gain adequate international experience."

### The coach with an eye on England's future

Richard Hill (England A asst coach)



Richard Hill, coach of the now defunct Emerging England, current assistant coach to England A as well as director of coaching at Gloucester, agrees with Jack Rowell that certain positions lack challengers and cites the unchanged England side as a cause. He also highlights the contemporaneous careers of Stuart Barnes and Rob Andrew, David Egerton and Dean Richards, which show good talent going to waste.

He says: "I thought the Emerging England set-up worked. At the time it was scrapped I was puzzled. It seemed to launch a few careers such as Tony Dwyre, Rory Jenkins, John Sleightholme and Nick Greenstock."

"I thought it was a very good springboard. Everyone was enthusiastic and there were no prima donnas. But I can understand perhaps that there were lots of other reasons why it had to go, one of them was finding fixtures."

"I think this year the England A side has to be a side of more potential England first-team players. You always need one or two older heads but if you get too large a proportion of seasoned players it would not be the way forward. By the same token it would be counter-productive to have an England A side filled with 21 and 22-year-olds."

### The administrator responsible for the game at all levels

Don Rutherford (RFU technical director)



Don Rutherford is a staunch advocate of player development and was supportive of the Emerging England concept. He denies there is a crisis and emphasises that Rowell highlighted only certain positions where there was a lack of talent coming through.

He says: "In an ideal world I would have been quite happy for Emerging England to have continued, but I think this [reorganisation with England A] is a reasonable compromise. Where Jack says there is a paucity of players to be specific."

"For example we appear to be short of wings. John Sleightholme is in and out of the Bath side on a rota, Jim Taylor is probably not quite ready yet. It is a measure of England's success that there is a paucity in certain positions. If you have a hooker such as Brian Moore - and it has happened in that position quite frequently - where you have somebody in possession - then the people behind do not get any opportunities."

"Suddenly you find the top man is about to go and there is a gap between the standard that had been achieved by that one player and the rest. Rob Andrew is another who has been in possession for a long time and it is very difficult for the next wave of players to gain any experience at that level."

## Juniors with their sights on the stars

It requires lateral thinking to envisage a club in the South-West First Division - effectively the regionally based sixth division of the Courage Championship - being intrinsic to the fortunes of England.

But this is how, in part at any rate, Dave Egerton sees his role as coach of Bridgewater and Albion and, as Egerton played seven times in the England back row during a distinguished career with Bath, he should know.

Not that the Bridgwaters of this world can plug the gap Jack Rowell, the England manager (as well as Egerton's former coach at Bath), has identified in the development of international players. But what Egerton, and thousands like him, can do is help.

"I have a number of goals as a coach at this level," he said. "First and foremost is that the club has a successful rugby team with an emphasis on player-development on and off the field. But at the same time if I see someone with potential I would regard it as a duty to see that he goes as far as he can."

"You are going to get one every three or four years. There are some at Bridgewater who might disagree with me, but once I have had a season or two to mould that player's skills, I would advise him to make the step up - all the way to Bath if I thought he was good enough."

All England players have to start somewhere. In his autobiography Brian Moore gives a colourful account of his early years in Halifax with Old Crossleyans - this season in North Two, one rung lower than Bridgewater - and it is no exaggeration to say they did much to make him what he is today.

Egerton, who played in the same pack as Moore in all his internationals, became Bridgewater's coach at the start of this season, and in bringing Bath methods to the Somerset club he anticipates that ultimately they ought to develop an increasing number of would-be Moores.

"It would be counter-productive to be so desperate to hang on to players that you made it awkward for them," he said. "It's a balancing act and I hope people wouldn't be so small-minded as to object to that."

"It's a symbiotic relationship between what's good for the club and what's good for the player."

"We wouldn't attract players if they did not see it as a springboard for higher honours and if they have that potential it is up to us, and all the clubs around the country, to show them how to do it and where to go."

Even if this and whatever else he does at Bridgewater are liable to connect with England only obliquely, Egerton accepts that he and his ilk share responsibility for the present dearth.

"There is a shortage of players coming through," he said. "and we have to be honest and say it must be the coaches' fault, because where else do they learn their rugby?"

## It is odd that someone so calm, so methodical, should have made such a dog's breakfast of the recent change in his life

Of recent England players, the two I have found most rewarding are Rob Andrew and Stuart Barnes. They are, as we know, very different characters. Andrew is a puritan, Barnes a cavalier. Andrew has all the modesty of a young woman in a Victorian painting, whereas Barnes - how can one put this? - sets a justly high estimate on his own capabilities.

Andrew is a quiet man, while Barnes can talk the hind leg off the proverbial donkey.

But there are similarities as well. Both are intelligent and rational. Neither is prone to violence. Both are fine sportsmen who, in a more spacious age, would have played first-class cricket in August.

They are both people with whom one is pleased to have a word. What a pity it is, therefore, that they are both making mistakes

which could and should have been avoided.

Barnes has become a columnist in what we old journalists were taught to call Another Newspaper. He also commentates on Sky television. I have not heard him in the latter role because I am not wired for Sky. I may be forced to become so when Rupert Murdoch duly takes over the Five Nations Championship.

Anyway, I have missed Barnes in his television capacity. His written journalism is lively stuff, with one qualification: of late, an element of niggles has not so much crept as bounded into it.

The most corrupting thing in journalism is not the backhand or the freebie, it is personal friendship.

The next most corrupting thing is personal antipathy. It would be

extraordinary if Barnes were not a disappointed man. Year in and year out, a player he honestly considered his inferior, Andrew, was preferred at outside-half - although Brian Moore and others believe that, if Barnes had indeed been in that position regularly, England may have played more attractively but would not have won three Grand Slams.

All this is in the past. Barnes should now try to forget it. He has retired with honour and should attempt to see the game through a fresh pair of eyes.

Andrew has half-retired, too. It is odd that someone who is outwardly so calm, so methodical, should have made such a dog's breakfast of the recent change in his life.

To begin with, I question the



ALAN WATKINS on rugby

wisdom of his going to Newcastle at all. They had a good spell in 1976/77, when, as Gosforth they won what was then the John Player Cup in two successive years. But they now strike me as a difficult club to turn round - certainly to the ex-

tent envisaged by their entrepreneurial boss, Sir John Hall.

This was my view even before the recent loss of confidence which was reported here by Owen Slot yesterday, and which has apparently followed the announcement of Andrew's arrival.

It may be that the RFU's complicated qualification rules are to blame for the delay in Andrew's appearance. If so, they do no service either to the players or to the clubs. They would never be tolerated in business. Rightly or wrongly, that is what rugby union has now become.

Andrew will find his position as player-manager in peril if he does not produce the results Sir John requires, as will Steve Bates as coach when he joins Andrew later on.

Mention of Bates conveniently brings me to the Wasps. They have

conducted themselves in an extraordinarily cack-handed fashion.

I am surprised that their chairman, the greatly-respected Sir Pat Lowrey, a former chairman of ACAS, allowed matters to reach the stage they did.

First, Andrew announced that he was going to Newcastle. This should have been the occasion for the engraved tankard, the carriage clock or both. Unwise he may have been, but he was perfectly entitled to go back north. From that moment, that is where his loyalties lay.

Wasps, however, decided to squeeze the very last drops of juice from the orange. Andrew fell in with this arrangement and also proclaimed his continuing availability for England. He then recruited a player I have always regarded as a walking provocation, Dean Ryan,

together with the very different Bates.

At this Sir Pat's patience cracked. Jeff Probyn, an equally wise head from the shop-floor, urged from the beginning that Andrew's proposed journey north entailed a clean break with the London club.

However, it was not Andrew's move but his recruiting activities which caused the final breach.

At the same time, he announced his retirement from international rugby. It has been said that he did this because he would be playing in the Second Division sooner than he had thought. But, as he would have been playing there quite soon anyway, the explanation does not make sense.

He was right to retire - but it could have been managed so much better.



# How clarification has led to increased confusion

**Motor racing**  
DAVID TREMAYNE

The argument between Michael Schumacher and Damon Hill after Sunday's Pacific Grand Prix, where the German clinched his second consecutive World Championship, highlighted not only the underlying animosity between these two rivals, but also the ambiguity in the clarification issued by the sport's governing body, the FIA, of what constitutes acceptable driving tactics.

Hill and Schumacher have clashed numerous times since the collision which so controversially won Schumacher his first title in Adelaide last November, and recently Hill asked the governing body to spell out once and for all where the line can be drawn.

Following a lunch between the FIA president, Max Mosley, the vice-president, Bernie Ecclestone, and drivers Schumacher, Hill, Gerhard Berger and Martin Brundle, the FIA issued a statement which effectively left it up to the drivers to police their

own behaviour, and to avoid endangering one another.

Hill's reaction on Friday was: "My concern was simply that from one week to the next there didn't seem to be a clear ruling on what action should be taken. Sometimes action was taken and other times not. That is no good for a driver who needs to know how to approach the matter at each race. Now the matter appears to have been clarified by the FIA, which has ruled that no holds are barred - as long as our actions are not dangerous.

"The important thing is to have exciting racing, which is what we had in Germany. It is good for the sport, but only so long as it is safe. Or at least as safe as motor racing can be..."

There, by calling Schumacher's bluff and sticking to the inside line, Hill obliged Schumacher to try the slower outside line, and kept his place. After the post-race interview, the German rounded on Hill, criticising him for resisting his attack.

Hill, who saw this as the pot calling the kettle black, following the weaving Schumacher had employed in the Belgian Grand Prix, jabbed a finger at him and acquainted him with his own treacherous view on the matter.

However, Schumacher went on to say: "I can really go for it in the last two races. I don't need to care that much now. In Aida it was about winning the championship. In a fighting situation I eased off and I was careful. Now I have the title and it's the end of the season, I don't need to do that."

question once again whether it might not be time to introduce professional race stewards who travel to every race, rather than relying on the current system of selecting three representatives from the local racing milieu.

## Bucs honour and obey their old losing vows

**American football**  
MATT TENCH

On a day of intriguing matchups, the most bewildering took place at Tampa Stadium, where 200 couples were married in a mass ceremony during the half-time break. A shared passion for the Buccaneers is not normally regarded as the guaranteed route to nuptial bliss, although if you can agree that the men in orange are the best team in the NFL, it might be argued that you can agree about anything.

In fact, the Bucs went into their game against the Atlanta Falcons in the unusual position of Division leaders, but true to form, they made a mess of 200 special days, losing 24-21, their first defeat in five games. Perhaps someone ordered a traditional wedding.

Atlanta's victory was enough to give them the joint lead of an extremely competitive NFC West. The St Louis Rams began Sunday as clear leaders, but in a match that was billed as the return of Elvis, all the big hits came from the San Francisco 49ers.

The Elvis in question was

Orbac, the phonetically challenged 49ers back-up quarterback. His presence for the injured Steve Young, plus a couple of unforeseen defeats, had suggested the Super Bowl champions might be vulnerable against the rejuvenated Rams.

We should have known better. The 49ers intercepted Chris Miller four times in a 44-10 rout, with Ken Norton returning a couple of them for touchdowns. "We wanted to make a statement and the defense is where we wanted to make it," Norton said. Grbac lobbed a couple of scoring passes, one each to John Taylor and Jerry Rice.

If the 49ers found a way to bounce back from adversity, the Miami Dolphins now find themselves knee-deep in it. Three weeks ago, having started the season 4-0, their defeat by Indianapolis could be dismissed as a hiccup. Two further defeats and the bout is threatening to become terminal. Last week, they were beaten by the previously winless New Orleans Saints, and on Sunday they managed to further lower themselves by losing to the New York Jets, widely regarded as the most inept side

in the league (which only makes you wonder what the Dolphins currently are).

Bernie Kosar, replacing Dan Marino for a second week, threw three interceptions and turned the ball over three times in the last six minutes as the Dolphins' demise reached crisis proportions. The only good news for Miami is that Marino, who has missed all three games, is expected to return from his knee and hip injuries next week.

Both expansion teams recorded victories, as they continue to defy the doubters who suggested that they would end the season with a handful of wins between them. The Carolina Panthers started their first winning streak, after beating the Saints 21-3, while the Jacksonville Jaguars won their third game in four, 23-15 over the Browns. The Jags are now only half a game off the lead in the lamentable AFC Central, in which every team has a losing record.

NFL home teams (left): St Louis 10 San Francisco 44; Carolina 20 New Orleans 3; NY Jets 17 Miami 15; Chicago 25 Cleveland 15; Jacksonville 22; Washington 36 Detroit 30 (6); Tampa Bay 21 Atlanta 24; Denver 7 Kansas City 22; Seattle 25 San Diego 30; Green Bay 38 Minnesota 21; New England 10; Dallas, Philadelphia, NY Giants.

## Wales put trust in family values

**Hockey**  
BILL COLWILL

Lynda Watkin, whose brother is Steve, the Glamorgan and former England opening bowler, has been selected to captain Wales against the Czech Republic on Saturday at Sophia Gardens, Cardiff.

The vastly experienced Watkin leads a side which contains eight players currently playing in the English National League, including four from the present League leaders, Clifton.

The only uncapped player, is Aldridge's 21-year-old student

Lucie Beim. When the teams met last April in Prague, Wales won the three-Test series 2-0.

Lauren Williams, daughter of the legendary Welsh rugby full-back, JPR, is included in the Under-21 side to play the Czech Under-21s on Friday and Sunday, also at Cardiff.

Lewes and Fareham march on at the top of the Nastro Azzurro South Premier as a result of the weekend's games. Nick Coleman scored twice and Jeremy Boyce got the winner as Lewes beat Chichester 3-2 while Fareham held on to second place with an inferior goal difference after first-half goals from Scott Shirley and Nigel

Cook provided them with a 2-0 win at Maidenhead.

Two goals from Nick Avery and a third from Tim Clarke gave Gore Court a 3-0 win at Winchester to keep them in third place.

In the Midlands East Premier, Ipswich's 5-0 win at Chelmsford, with Bryan Bayley scoring twice, moved them two points clear at the top, after Peterborough went down 2-3 at Colchester in spite of two penalty stroke conversions from Steve Gregory.

Wales Senior Squad (by Welsh Republic): Stephen Williams, Gareth Jones, E. Duff, L. Ellis, R. Edwards, R. Evans, J. Williams, S. Jones, P. Jones, E. Jones, L. Jones, M. Jones, N. Jones, O. Jones, P. Jones, R. Jones, S. Jones, T. Jones, U. Jones, V. Jones, W. Jones, X. Jones, Y. Jones, Z. Jones.



Catcher in full fly: Javier Lopez watches his two-run homer in the sixth inning that put the Braves in command in the World Series. Photograph: Eric Draper/AP

## Lopez puts Braves on the march

**Baseball**

Atlanta Braves  
Cleveland Indians  
(Atlanta lead best-of-seven World Series 2-0)

The Atlanta Braves, defeated in two of the last three World Series, took a major step towards claiming their first-ever crown with a narrow victory over the Cleveland Indians in the second game of the 1995 series on Sunday night.

Chief contributor to the success was catcher Javier Lopez, who struck a two-run homer in the sixth inning as the Braves opened up a two-game cushion in the best-of-seven series.

"No doubt about it, this is a great feeling. Everybody wants to be a hero," Lopez, a second-year player from Puerto Rico, said.

"That's something that you can never forget," he said of his homer, a blast to centre field, with team-mate David Justice on second base.

With the scores tied at 2-2, Lopez had fallen two strikes behind on the count, then 1-2 and then - with the Atlanta fans chanting his name - fouled a pitch off before launching a homer to put Atlanta up 4-2.

"I didn't pay attention to the crowd," Lopez said. "I just tried not to listen to people, I just tried to concentrate and get a good pitch to hit."

dian offence - best in the major leagues during the regular season - to just seven hits in two games, following Greg Maddux's two-hitter in the first game of the series.

"I thought he pitched pretty darn good," the Atlanta manager, Bobby Cox, said of Glavine, while also acknowledging he had a little luck at times. "They're just better pitchers than we've seen in a while," said the Cleveland manager, Mike Harpove.

Cleveland fielded the oldest battery ever seen in a World Series, with 40-year-old pitcher Dennis Martinez and 38-year-old catcher Tony Pena but experience counted for little with Martinez taking the loss, giving up all four runs in 5½ innings on eight hits and three walks.

It had all appeared much brighter for Cleveland at the top of the second inning when Eddie Murray's two-run homer had put them 2-0 ahead.

However, in the bottom of the third, Martinez dug himself into a hole, hitting lead-off man Marquis Grissom with a wild pitch, then allowing him to steal third with a wayward throw to second. The damage done, Chipper Jones sacrifice fly and Justice's RBI single squared the score for Atlanta.

After Lopez's heroics had put the Braves 4-2 up, Cleveland countered at the top of the seventh. Kenny Lofton singled through the right side with two out, stole his second base of the game - and fourth of the series - and then scored when Omar Vizquel beat Mike Devereaux for a two-out error.

However, despite piling on the pressure, the Indians could not find another score.

## SPORTING DIGEST

### Beach men test positive

**Drugs in sport**

Two top American beach volleyball players have escaped suspensions after becoming the first athletes in the sport to fail drug tests. The International Volleyball Federation said yesterday that Mike Whitmarsh and Scott Friederichsen tested positive for the banned stimulant, pseudophedrine, at a World Championship Series event at Hermosa Beach, California, on 16 July.

Two separate analyses of the test results were conducted, and both confirmed the positive finding, the federation said. The players appeared at a hearing in Los Angeles and did not deny the presence of the banned substance in their samples.

The federation declared the athletes guilty of a doping

offence and ordered a suspended three-month suspension. However, the suspension will not be applied because certain formalities were not respected by the US national volleyball federation.

"We have our own international procedures and the US has its own," said Alain Coupat, a spokesman for the federation. "There was a mix-up between the two procedures. In order to avoid legal proceedings, the suspension will not go into effect."

However, if the players commit a second offence they will be banned for two years. Coupat said these were the first confirmed doping cases in beach volleyball, which introduced systematic drug testing this year ahead of its debut as an Olympic sport at next year's Centennial Games in Atlanta.

### Eltingh sets up meeting with Agassi

**Tennis**

Jacco Eltingh, of the Netherlands, earned a match with the world No 1, Andre Agassi, after cruising through his first-round match in the Essen Open tournament in Germany yesterday.

Eltingh, ranked No 36 in the world, beat Bernd Karbacher of Germany, 6-2, 6-4 to qualify for a second-round meeting with Agassi, who had a bye.

The event has attracted the entire world top 10 and 17 of the top 20, as the leading players chase points for qualification for next month's World Championship in Frankfurt.

Only Agassi, fellow American Pete Sampras and Michael Chang and the Austrian, Thomas Muster, have already qualified, leaving four places open for the round-robin Frankfurt tournament.

Germany's Boris Becker opens his campaign for points in the second round against Sweden's Magnus Gustafsson, who scored a 6-4, 6-2 first-round win over the American Aaron Krickstein yesterday.

Michael Stich, the former Wimbledon champion, will be sidelined for at least six weeks with ligament injuries after taking a nasty fall during a match in Vienna. Stich writhed in pain last Friday after he slipped and fell while chasing a ball at the net in the first set of his match against Australia's Todd Woodbridge.

South Africa's tennis ruling body has been placed in receivership as a result of the findings of a commission into the running of the sport in the Republic. Mervyn King, the commissioner, said Tennis South Africa could not meet its debts and had been "commercially naive" to sign a 20-year deal with a marketing company, Bairds, which involved 25 per cent of all sponsorship money raised going to that company.

### American football

**AMERICAN CONFERENCE**

**EAST**

**WEST**

**EAST**

**WEST**

**BASEBALL**

**BASEBALL**

**BASEBALL**

**BASEBALL**

**BASEBALL**

### Cricket

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### WHERE ARE THEY NOW?

England's MCC tour of South Africa in 1964/65, the last before the D'Oliveira affair, holds a special place in the affections of Ian Thomson, the former Sussex seam bowler who was remembered last summer when Richard Johnson, of Middlesex, emulated his feat of taking all-10 wickets in a first-class innings.

Thomson did it on a rain-affected pitch at Worcester in 1964, with John Snow bowling without luck at the other end. Without doubt it was a factor in his selection to go to South Africa, gaining his only international recognition in the twilight of his career. He was 36 during the tour and retired after one more domestic season.

"It was a super tour, even though we faced a succession of plum wickets and drew all the Tests but the first, which the spinners won for us," he said. He was to return to South Africa to coach after he retired and had change of Daniel Cullinan, the current South African Test player, as an eight-year-old. "He was the best little cricketer I've seen," Thomson said. "I've followed his career ever since."



father's motor car business. But he hankered after the South Coast and quit to train as a teacher, which has been his profession since. Although he retired from full-time teaching in 1985, he still accepts supply work at primary schools even at 66.

He recently left the long-time family home in Hove for the nearby village of Offham, where he lives with his wife, Eileen. Their daughters, Carol and Tracy, both live in the Hove area.

Jon Culley

### TODAY'S NUMBER

4

The number of times that Johan Cruyff has been ordered from the dug-out to sit in the stands during his eight years as coach of FC Barcelona. His latest spell in the strait-jacket came during Sunday's 1-0 home win over Valencia.

Other sports



